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Series II: Subject Files, 1956-1993, undated.

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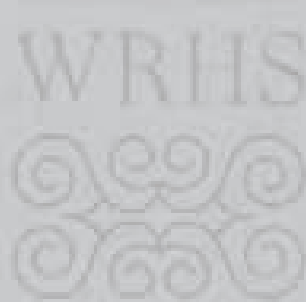
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Greater Cleveland Roundtable, correspondence, minutes,
memoranda, reports, newspaper clippings, and notes, 1982.

Roundtable Block Grant Primer

Annual Report, May, 1982



Development of this document was made possible with the assistance of Anita L. Morse, Professor of Law, Cleveland-Marshall College of Law and Hans C. Kuenzi, research assistant Cleveland-Marshall College of Law.

*Anita Morse
Cleveland-Marshall
College of Law*

1

When the Roundtable first published the Block Grant Primer in February, 1982, it was intended to alert our members and the community to dramatic funding decreases and programmatic changes in federally supported health and human services programs on the state level that would further erode the economic condition of Ohio and Cleveland, already weakened by increasing unemployment and decreasing revenues. That report documented the impact of decreasing federal funds on primary health and human services programs as reflected in Ohio state cuts *in aid* to Cuyahoga County and to Cleveland. It pointed out the ripple effects on Cleveland's economic development programs caused by layoffs of city and county employees and ~~community~~ *community* service reductions; deferral of capital spending on needed infrastructure improvements in sewers, water systems, and streets and bridges; and increased taxes, all of which would deter new economic growth and investment.

Mayor Voinovich, in an interview concerning the Reagan Administration's "New Federalism: issued at the time of that Report stated,

"The economic condition of the country will have a major impact on this whole dialogue on New Federalism. If we have massive unemployment in this country--over 10%--no one is going to be talking about New Federalism. They are going to be worried about getting people back to work and they aren't going to give a damn whether it is the federal, state or local government doing it." (Cleveland Press, Feb. 21, 1982)

In our April 16, 1982 update, the Roundtable reported that, indeed, states were resisting a massive turnover of health and human services programs, and little action on New Federalism was ~~foreseen~~ for fiscal year, 1983. On May 5, however, officials of the National Governor's Association announced that a tentative agreement had been reached with the White House for a framework for realigning Federal and State responsibilities for Welfare and Medicaid. Cautioning that many details need to be worked out, Governor Richard A. Snelling of Vermont, chairman of the group, reported that states might be willing to assume more responsibility for underwriting Aid to Families with Dependent Children, which assists more than 3.8 million families as the primary welfare program, if Washington agreed to create a "safety net supplemental assistance fund" to help states cope with special problems such as high unemployment. The fund would also aid states having a high concentration of poor people but limited ability to generate revenue. The Governors also insisted in a repeal of the Federal law under which food stamp benefits are reduced

by thirty cents for each additional dollar of cash assistance or other income received by a poor family. This change was proposed by Governor Scott M. Matheson of Utah after he observed that a state would, in effect, be penalized by the reduction in food stamp benefits if it decided to raise welfare payments to residents. Department of Agriculture officials said that this change would add \$3-4 billion to the cost of the food stamp program, currently operating on a budget of \$10.3 billion.

The compromise was characterized as tentative because the group was still awaiting the details of the proposed federal take-over of the Medicaid program. The states currently share the cost of welfare and Medicaid with Washington, and standards for Medicaid eligibility and extent of benefits vary widely among the states. The White House has yet to disclose how it would administer the Medicaid program.

In the areas of block grants and federal funding, our April 16 update also reported that the Reagan Administration was pushing ahead to further consolidate categorical programs into new block grants and turn these over to the states for administration, while, at the same time, further decreasing federal funding of these and other health and human services grants. More recently, a Presidential advisory committee has proposed the creation of a "housing payments program" in the already existing Community Development Block Grant to give local communities a means to distribute direct cash payments to low-income families in the form of vouchers, a system which has been devised to replace low-income housing construction programs. And locally, Mayor Voinovich received assurances on May 6 that Urban Development Action Grants would not be merged into the Community Development Block Grant. By keeping these grants separate and administered at the federal level, Cleveland is likely to continue receiving its fair share in urban development grants, although the size of the grants themselves will surely be reduced.

On the National Level

With the collapse of the bipartisan budget negotiations between Capitol Hill and the White House in late April, the task of putting together a FY 1983 budget has fallen to the leaders and committees of Congress. Republicans and Democrats in both the House and Senate recognize that unless major savings are achieved, the FY 1983 deficit could reach \$182 billion and continue to grow to \$216 billion in FY'84 and \$233 billion in FY'85. The leaders of both parties

have indicated that they are trying to find a budget formula to reduce the FY '83 deficit to about \$110 billion, but the central issue lies in where the cuts should be made and whether a steady downward trend can be achieved beyond that. The stakes are high, not the least of them being the strength and staying power of an economic recovery. Economists in and out of the Administration now admit that high federal deficits tend to produce high interest rates and, in turn, high unemployment rates. The latter figure has reached a forty-year high of 9.4% (10 million unemployed), with Ohio reeling under a rate of 12.4%.

The current leading Republican budget plan, developed by Senator Peter Domenici, chairman of the Senate Budget Committee, and endorsed by President Reagan, carries a deficit of \$106.1 billion for FY'83, \$70 billion for FY'84, and \$42 billion for FY'85. It calls for a three year tax increase of \$95 billion (thereby cancelling the third year of the income tax cut which was a centerpiece of the Administration's economic recovery plan), a \$22 billion reduction in the proposed increase in military spending, and a three year freeze in nonmilitary discretionary programs including education and health, for a savings of \$39 billion. Lastly, in addition to a reduction in social programs, a controversial \$40 billion cut in Social Security benefits over the next three years was proposed.

Predictably, this compromise plan was assailed by the House Republicans and Democrats. House GOP Leader Bob Michel characterized the bill as "unacceptable" and promised to renew efforts to fashion an alternative budget. To this end, House Republican Leaders on May 12, urged that Social Security be removed altogether from the budget battle, thereby reducing the FY'83 deficit proposed by the Senate by \$10 billion and substantially reducing the overall size of the budget. President Reagan expressed his willingness to consider this proposal during his May 13 news conference. ^{Some} Moderate Republican Congressmen from the Northeast and Middle West, known as the "Gypsy Moths," likewise rejected the Domenici-Reagan plan and released an alternative FY '83 budget that would make significantly deeper reductions in military spending, hold the line on some discretionary programs and increase others along FY'82 guidelines, and increase revenues by \$10 billion. More significantly, the "Gypsy Moth" plan rejects any changes in Social Security benefits.

The Democratically-controlled House Budget Committee, as well, released an alternative budget on May 13. This plan envisions a deficit of \$102.9 billion for FY'83, a \$147 billion increase in new taxes; a \$47 billion, three-year reduction in the Administration's planned increase in military spending; and a freeze on discretionary programs, albeit less intrusive than the proposed Republican freeze. The House Panel also recommended a \$14 billion reduction in social programs, a figure of less than half of the amount called for by the Senate Committee. Finally, the Democratic plan leaves Social Security benefits untouched. In spite of the plan's purported viability, Democratic House Speaker Tip O'Neill conceded that neither party alone can pass any kind of budgetary provisions in this volatile election year without bipartisan cooperation. An instance of this requisite unity surfaced on May 12 as the House of Representatives approved a supplemental spending bill that adds nearly \$6 billion to this year's budget. The money was earmarked for student loans, mortgage subsidies and other government functions as part of a broader drive on Capitol Hill to provide immediate help to sectors of the economy that are suffering severely from the recession. However, the bill faces critical questioning in the Senate and a possible veto from the White House.

In all, Congress is being tested on its capacity to make what its members call the "hard decisions". At the present time, the basic proposals of the compromise Domenici-Reagan budget plan appear to have the best chance of passage, based on the administration's past successes. However, members of neither party are anxious to lend their approval to a Budget that will have a detrimental impact on the lives of their constituents, especially in an election year. It is for this reason that Congressional passage of a budget package will almost certainly be postponed until after the primaries and quite possibly past the September 30 deadline.

On the State Level

April saw Ohio's unemployment rate at its highest level since 1940, indeed exceeding that 10% level predicted by Mayor Voinovich to be the break point for New Federalism. Ohio's tax revenues declined precipitously, forcing the governors to implement further reductions in state health and human services expenditures. Both the Ohio House and Senate have now passed the Governor's proposal for increases in taxes and decreases in spending.

The House bill was passed on May 12, after a week of stalling by Democrats who successfully sought more Republican votes to assure a bipartisan label and head off a partisan campaign issue. The following are highlights in this budget package:

*Imposes a 25% income tax surcharge for the years 1982 and 1983. Because the surtax would be collected only from July 1, 1982 to June 30, 1983, the end of the budget period--collecting two year's tax in one year--the amount withheld from paychecks would increase 50%.

*Creates a higher income-tax level for people earning \$80,000 a year or more.

*Requires employable adult welfare recipients to work for cash assistance they get under general relief or Aid to Dependent Children.

*Revises soft-drink excise taxes and applies them to soft drinks sold in bottles, cans, and at fountains through June 30, 1983.

*Cuts most state spending 9% from July 1, 1982 to June 30, 1983. Education would be cut 5.58% and welfare 1%. Earmarks lottery, income tax and corporate taxes for schools, but does not increase aid if earmarked revenues exceed promised amounts. The Senate would have varying cuts in education and an 8% slash in welfare.

*Increases the corporate franchise tax from 5.5 mills to 6 mills on net worth, from 4.6% to 5% on the first \$25,000 of net income and from 8.7% to 9.5% on net income over \$25,000.

*Extends the temporary corporate and utility taxes enacted last year until June 30, 1983, the end of the current budget period.

Agenda: Economic Development

Recovery

Cleveland's public-private partnership faces hard choices in the future. Mayor Voinovich pointed that out in his interview when he stated,

"I think one of the grave errors that this city made over the years was that when it fell upon bad times, (city officials) ignored planning and economic development. This is being penny wise and pound foolish. At a time like this the most important hedge against the terrible problems for the community is to have the tax dollars to respond to those problems.

If the economy fails, then taxes fall. When its taxes fall, the services fall. And when the services fall, the people move out of their neighborhoods and the businesses move out of the community." (Cleveland Press, February 21, 1982).

INSERT:

However, because the bill constitutes a modified version of SB 530, which was passed by the Ohio Senate on March 30, the Senate plans to reject this house version, thereby forcing a conference committee, which is expected to withhold the announcement of a compromise until after the June primaries. Neither party is eager to implement a tax hike during an election year in a state whose economy is being skewered by the double-edged sword of high unemployment and high interest rates. By postponing the announcement of a compromise package until after the June primaries, both parties aspire to curb voter backlash which they hope will dissipate by the November elections. However, no matter what legislative package emerges, it will certainly mean further ~~burdens~~ on the Cleveland area economy.

*↑
burdens*

June 4, 1982

Mr. Mark Talisman
227 Massachusetts Ave.
Washington, D.C. 20002

Dear Mark:

I thought you might like to see our Primer Update.
We intend to do this every month.

I hope you are feeling better. If there is any
way that The Temple can cooperate in the Czech
Museum project, I would love us to be one of the
places it is displayed.

Sincerely,

Daniel Jeremy Silver

DJS:mp

GREATER CLEVELAND ROUNDTABLE

Board of Trustees

Eaton Corporation - 27th Floor

June 28, 1982

MINUTES

PRESENT

S. C. Pace, Chairman
M. C. Arnold, D. G. Hill, C. F. Hoover, A. C. Holmes,
A. R. Pinkney, B. P. Foster, C. M. Blair, K. B. Bonutti,
W. H. Bryant, E. E. Cade, J. J. Dwyer, N. M. Ellison,
J. Feliciano, R. McCullough, G. I. Meisel, A. M. Pilla,
R. W. Pogue, D. V. Ragone, A. B. Ratner, A. P. Sanchez,
L. H. Treadway, W. B. Waetjen, J. M. Whitley, and
S. S. Austin.

VIDEO TAPE OF MEETING - CHANNEL 8

It was noted that Channel 8 was present to make a video tape of our meeting. The taping is part of a segment that is being done by Storer Broadcasting on the re-birth of cities. The program will involve six cities; Atlanta, Cleveland, Detroit, Milwaukee, San Diego, and Toledo. In addition to the video tape of the Board meeting, individual sessions have been held with several leaders from the community including Mr. Pace who talked about what Cleveland is doing to revitalize itself.

INTRODUCTION OF NEW MEMBERS

George Meisel, Managing Partner of Squire, Sanders & Dempsey, was introduced and welcomed to the Board.

COMMITTEE ON EDUCATION - ALLEN C. HOLMES

The current primary activity of the Committee is participation in the selection process for a new superintendent of schools. This process has involved the development of criteria for the selection of candidates and public meetings. The criteria have been delivered to the consultants. On July 16 the consultants will submit their list of candidates. On July 23, interviews will begin with ten to twelve candidates. Three finalists will be selected from this group. It was stated that

Board of Trustees Meeting
June 28, 1982
Page 2

one of the key issues is the extent to which the responsibility for running the school will be returned to the school board. It is the feeling of some persons that the Judge has recognized the reality of not being able to have a unitary structure without major changes. The school board's responsibilities need to be clearly defined to attract qualified candidates.

David McClurkin and Joseph Tegreene will brief the Education Committee on the financial status of the school system at its meeting on July 1. It was stated that a levy probably would not be on the ballot this Fall. The situation will probably require a special election. The legislation which has been signed into law does provide additional support to the school system. The anticipated shortfall, therefore, will be rectified.

COMMITTEE ON ECONOMIC DEVELOPMENT & JOBS CREATION - ARNOLD R. PINKNEY

The Minority Purchasing Trade Fair is scheduled to take place on July 22-23. The Trade Fair is a vehicle for bringing together majority and minority companies in a meaningful way. Mr. Pinkney requested the participation of those companies represented on the Roundtable's Board. He also requested that they invite their purchasing staff to participate.

Youth Employment - Lyman H. Treadway

An analysis of the youth employment initiatives in the Cleveland area was prepared for the Youth Employment Committee. About 50 agencies were identified. The report indicated that some agencies are doing effective jobs. However, there needs to be a more comprehensive study of their efforts to determine why some have been effective and others have not. The study could help the community make more effective use of limited resources.

The Youth Employment Committee has developed a plan to provide summer jobs. It is proposed that several organizations would work together. The purpose of the plan is to provide jobs for low-income youth and to assist neighborhood improvement efforts. Mr. Pace stated that the program developed by Mr. Treadway and his Committee was very positive. It has the potential to impact the youth unemployment situation in a major way.

Because of time constraints, the Executive Committee determined that it would not be possible to implement the program this summer. It was recommended that we begin now to put the plan in place for 1983. It was reported that Steve Minter had recommended that the Youth Employment Committee make a site visit to New York to study the private sector efforts there.

Steve Minter informed the Board that as a result of the Mayor's statement on summer jobs at the last Roundtable Board meeting, the Cleveland Foundation has allocated an additional \$225,000 for summer employment.

Mr. Ragone also added that Case Western Reserve University has expanded its minority engineering program to include 25 more students in response to the last Board meeting. Mr. Pace indicated that the Case Western Reserve program will add a new dimension in that it will provide some much needed skills to the participants.

Board of Trustees Meeting
June 28, 1982
Page 3

It was stated that CETA provided 8,000 jobs in 1981; 6,500 for 1982. It is uncertain as to what level of funding, if any, will be available from the federal government in 1983.

It was noted that even though the major thrusts of the Committee efforts will be for 1983, it is still not too late for some private sector participation in 1982.

Labor/Management Forum - Richard W. Pogue

The Forum met on June 23. It was an excellent meeting and was well attended. Bradley Jones was welcomed as a new member of the Committee. Charles Pinzone, Executive Secretary of the Building Trades Council, Thomas Kerr, President of the Industrial Construction Company, and Terry Donaley of the Industrial Construction Company made a presentation on the status and background of the collective bargaining negotiations in the construction industry in Cleveland. The current contract calls for a \$2 increase per year for the next three years.

The next meeting is scheduled for July 26 at which time there will be a presentation by Peter J. Pestillo, Vice President, Labor-Relations Staff, Ford Motor Company, and Donald F. Ethlin, Vice President of UAW. The presentation will be on labor management harmony initiatives. The August meeting will be devoted to developing specific objectives and target areas for the future.

The situation regarding the use of 32 young people on the Cleveland 500 project was noted. These were young people who were hired for \$5 an hour. Union rates would have been \$17. Initially there was some difficulty regarding this situation. It has since been resolved.

It was stated that the Forum has helped to establish mutual respect and understanding between labor and management because a lot of the groundwork has been laid to help bring this about. The overall goal of the Forum is to establish a favorable labor-management environment.

The situation regarding Brookpark, which may involve 10,000 jobs, was noted. It was stated that this is an extremely difficult issue for which there are no easy answers.

COMMITTEE ON HOUSING & NEIGHBORHOOD DEVELOPMENT - BRUCE FOSTER & ALBERT RATNER

The fact sheet on the revenue bond issue was distributed to the Board and noted by Mr. Ratner. House Joint Resolution 14 passed the Ohio Senate on April 30, 1982. It is a proposed constitutional amendment which if passed would allow the state to issue tax-free bonds for the purchase or rehabilitation for single family houses and multi-family housing for senior citizens. The state would channel funds through the financial institutions by using low interest bonds to provide funds for banks, savings associations, mortgage companies and similar institutions. The issue will be on the ballot in November.

Previously, the issue was defined as a low and moderate income housing issue which was not widely supported. A statewide campaign effort to pass the constitutional amendment is being spearheaded by the Ohio Association of Realtors. Mr. Ratner indicated that various organizations need to be mobilized to support the effort and that a media campaign needs to be launched. One of the greatest difficulties in the past has been the drafting of language for the ballot. It is, therefore, very important that the right kind of language be developed. He informed the Board that this is a very important effort.

The State Housing Board has only assisted with the development of 6,500 units. The current legislation should make the agency more effective. Should the amendment pass, the agency could go to the Ohio Legislature to obtain broader powers enabling it to become the state agency in charge of overseeing the implementations and operation of the new program. Mr. Ratner informed the Board that the federal government is retreating totally from providing subsidy for housing. This responsibility is being passed to state governments. It is important to remember that this is a revenue issue. It is not a tax issue. It is a credit lending instrument, not a money lending instrument.

The Roundtable has put together an excellent Task Force on Revenue Bonds. This is a real opportunity for us to show how we can mold the community together. The Mayor is also very concerned with this issue. The first meeting of the Task Force is scheduled for July 22.

It was stated that the cities have often bypassed the states in previous years. We have complained about the amount of money that has gone to the federal government and that we have received back into Ohio only 75% of the tax dollars sent to Washington. We must, therefore, increase our efforts to work at the state level and recognize that Ohio will keep in Ohio 100% of each of its tax dollars.

COMMITTEE ON RACE RELATIONS -- SARAH S. AUSTIN

Final revisions have been made on the general public and leadership questionnaires. Interviews will begin the week of July 5. The planning has been rather thorough, and Ms. Austin expressed appreciation to the members of the Race Relations Committee for their thoughtful input on the questionnaires and their support of this effort.

BUDGET & FINANCE REPORT

The Statement of Revenue and Expenses for the month was distributed. Revenue for the month - \$39,274.09; Expenses for the month - \$38,052.26; Total cash on hand as of June 24, 1982, - \$197,054.85. Of this amount, \$105,000 - restricted; \$92,054.85 - unrestricted.

We have received good cooperation with our fundraising efforts. However, we still have a shortfall of \$43,065. All the original prospects have been exhausted. We need to get an expanded list. A Finance Committee meeting is scheduled for July 8.

CHAIRMAN'S REMARKS

Mr. Pace reminded the Board that we have a small staff. It was at the Board's direction that the staff of the organization be kept to a minimum. Therefore, the Roundtable cannot operate as other civic organizations with large staffs. He requested that the Board members provide as much assistance as possible so that the Executive Director's time can be applied to substantive matters.

The members of the Board are representatives of organizations and constituents. It is, therefore, expected that they share the views of their constituents and organizations with the Board, and will take actions of the Board back to their groups. This is extremely important in order to facilitate communication.

Mr. Pace indicated that he wanted the Board meetings to be working sessions. He does not want to have meetings solely for the chairmen of the committees to make reports. The Board meetings should provide an opportunity to explore and discuss the ideas and concepts presented. He, therefore, encouraged the members to share their thoughts with the Board.

The meeting schedules for 1982 and 1983 were noted. The schedules have been submitted to all members of the Board. It was requested that the dates on the schedules be reserved in order to assure maximum participation.

REMARKS BY DR. NOLEN M. ELLISON

Dr. Ellison expressed appreciation to the individual members of the Board for their assistance on Issue 8. He said that it was important that Issue 8 passed. The college is placing emphasis on training and retraining. He has made a presentation to the Economic Development & Jobs Creation Committee. He feels the Roundtable does provide an opportunity for helping to shape key questions regarding technology and training.

NEW BUSINESS

Appointment of Co-chairpersons

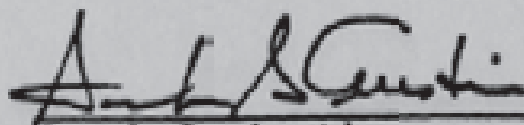
John J. Dwyer has been appointed Co-chairman of the Economic Development & Jobs Creation Committee. Mr. Pace indicated that it is important that we have co-chairmen of all committees so that the workload can be shared.

Retreat

Mr. Pace indicated that we have been in existence for one year and we need to think about whether we need a retreat to review progress made to date and plans for the future.

ADJOURNMENT

The meeting was adjourned at 9 a.m.



Sarah S. Austin
Executive Director

The Greater Cleveland Roundtable

Room 2041
100 Erieview Plaza
Cleveland, Ohio 44114

(216) 579-9980

Sarah S. Austin
Executive Director

June 28, 1982

Rabbi Daniel J. Silver
The Temple Branch
26000 Shaker Boulevard
Beachwood, Ohio 44122

Dear Rabbi Silver:

We missed you at the Board meeting this morning.

This is to let you know that George Meisel, the managing partner of Squires, Sander & Dempsey, has agreed to serve on your Committee. Would you like me to draft a note for your signature welcoming him to the Committee?

Sincerely,



Sarah S. Austin
Executive Director

SSA:lek

June 30, 1982

Ms. Sarah S. Austin
Executive Director
The Greater Cleveland Roundtable
Room 2041
100 Erieview Plaza
Cleveland, Ohio 44114

Dear Sarah:

Will you write the letter to George Meisel, welcoming him to the Committee? I'll talk to you right after the Fourth. Thanks.

Sincerely,

Daniel Jeremy Silver

DJS:mp



File

ROOM 2041 100 ERIEVIEW PLAZA CLEVELAND, OHIO 44114 (216) 579-9980

Chairman
E. Mandell de Windt

Vice Chairman
Melvin C. Arnold
Carole F. Hoover
Stanley G. Pace
Jackie Presser

Secretary
David G. Hill

Treasurer
M. Brock Weir

Committee Chairmen
Allen C. Holmes: Education
Reverend Otis Moss, Jr.:
Race Relations
Arnold R. Pinkney: Economic
Development & Jobs Creation
Jackie Presser & Bruce Foster:
Housing & Neighborhood
Development

Executive Director
Sarah S. Austin

Members
Reverend Dr. Henry W. Andersen
Claude Banks
Leona Bevis
Claude M. Blair
Alva T. Bonda
Dr. Karl B. Bonutti
Commissioner Virgil E. Brown
William H. Bryant
John H. Bustamante
Erskine E. Cade
Edward C. Coaxum, Jr.
James C. Davis
William DeLancy
John J. Dwyer
Dr. Nolen M. Ellison
Jose Feliciano
Council President George L. Forbes
John A. Gelbach
Martin Hughes
William E. MacDonald
Morton L. Mandel
Rubie McCullough
The Right Reverend Anthony M. Pilla
Richard W. Pogue
Albert B. Ratner
Edward H. Richard
Alfonso P. Sanchez
Samuel Scovil
Rabbi Daniel J. Silver
Frank Valenta
Mayor George V. Voinovich
Dr. Walter B. Waetjen
Ronald G. Wallace
Alton W. Whitehouse, Jr.
James M. Whitley
Dr. Willis Winn

MEMORANDUM

TO: Board of Trustees
FROM: Sarah S. Austin *SSA*
RE: July 26 Board Meeting
DATE: July 22, 1982

Enclosed is a copy of the minutes from the last Board of Trustees' meeting. I do hope you will be able to review prior to the next meeting scheduled for Monday, July 26, at 7:30 a.m.

SSA:kek

Enclosure



FEDERATION FOR COMMUNITY PLANNING

July 22, 1982

1001 Huron Road
Cleveland, Ohio 44115
Telephone 216-781-2944

R. Bruce Campbell
President

Edward C. Coaxum, Jr.
Vice President

Ann Ford
Vice President

John A. Hadden, Jr., M.D.
Vice President

Jerry V. Jarrett
Vice President

Frances King
Vice President

Anker C. Studsgaard
Treasurer

Richard S. Gray
Assistant Treasurer

Ralph Brody, Ph.D.
Executive Director

Mrs. Sarah Austin, Director
Greater Cleveland Roundtable
100 Erieview Plaza
Room 2041
Cleveland, Ohio 44114

Dear Sarah,

As I mentioned to you on the phone, representatives from six major institutions in our community have been meeting to plan a briefing session with candidates for Governor and the State Legislature from Cuyahoga County. These institutions are the Jewish Community Federation, the Federation for Catholic Community Services and the Commission for Catholic Community Action (representing the Catholic Diocese of Cleveland), United Way Services, the Greater Cleveland Interchurch Council, and the Federation for Community Planning.

We would like to invite you to participate in planning and co-sponsoring the candidates' briefing session which is tentatively set for Monday, September 13, 1982. Our next planning meeting will be Tuesday, August 3, 1982, at 8:30 a.m., Community Services Building, 1001 Huron Road, Room 300.

The purpose of the briefing session is to develop a sensitivity and awareness among the candidates about education, health, and human service issues. The session will be an educational forum where the citizen and volunteer leadership of the sponsoring organizations will present major facts on Ohio's financial situation and spending for education, health, and human services. As I mentioned to you earlier, Rabbi Daniel Silver has been suggested as one of the presenters.

I am attaching a list of propositions or conclusions that the planning group prepared at its last meeting. These propositions are stated in broad terms and will provide a basis for the presentations. They also will be the basis for a "Candidates' Briefing Book" that will contain supporting documentation.

Much planning needs to be done within the next two to three weeks. The program must be finalized, the speakers lined up, and the candidates contacted.

We view this as a rare opportunity during election time for the major institutions in our community with an interest in health, education, and



[July 22, 1982]

human services to join together and to share our views with candidates for state office. We hope that you will join us in planning and co-sponsoring this important session.

I hope to see you on August 3rd.

Sincerely,

Ralph

Ralph Brody
Executive Director

RB/cm
Enclosure



JUL 29 1982

Squire, Sanders & Dempsey

Additional Offices:
Brussels, Belgium
Columbus, Ohio
Miami, Florida
Phoenix, Arizona
Washington, D.C.

Counsellors at Law
1800 Union Commerce Building
Cleveland, Ohio 44115

Telephone (216) 687-8500
Cable "Squireland"
Telex 985-681
Telex 1 (216) 687-8777
Telex 2 (216) 687-8780

Direct Dial Number
687-8554

July 23, 1982

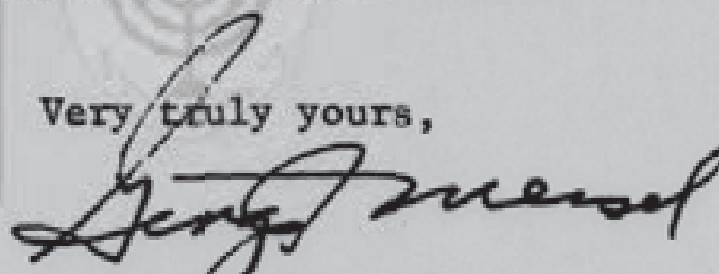
8 AM Mon. 20th

Rabbi Daniel J. Silver
Greater Cleveland Roundtable
100 Erieview Plaza - Room 2041
Cleveland, Ohio 44114

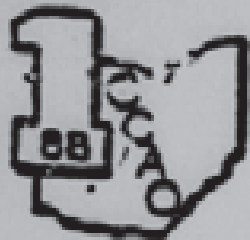
Dear Rabbi Silver:

I was very pleased at Stan Pace's invitation to serve on the State Liaison Committee of which you are the Chairman. I shall do my best to be of assistance to the Committee and look forward to reviewing the staff document which is being prepared.

Very truly yours,


George I. Meisel

GIM:gle



COUNTY INFORMATION AND DATA SERVICE

51 NORTH HIGH STREET • SUITE 501 • COLUMBUS, OHIO 43215 • 614/221-5627

A. R. MASLAR, EXECUTIVE DIRECTOR

PUBLISHED WEEKLY BY COUNTY COMMISSIONERS' ASSOCIATION OF OHIO

BLOCK GRANT NEWS

JULY 23, 1982

CCAO REVISES BLOCK GRANT PROPOSALS

BULLETIN #9

Block Grant News # 7 of January 29, 1982 contained a conceptual outline for county optional health and human service blockgrant legislation. This proposal has undergone hearings before the Joint Legislative Committee on Federal Funds and has also been discussed with numerous other interested groups.

To say the least, there has been many concerns about our recommended approach. It became clear that modifications would be necessary if there was to be any chance for adoption by the General Assembly.

CCAO has thus been working with a variety of groups in an effort to develop a proposal that would obtain more support or less opposition. In April a second draft was prepared and we have just completed a third and (hopefully) final draft. Following is a summary of the third draft which still must receive formal approval by the CCAO Board of Trustees. Comments are encouraged.

OBJECTIVE

To permit boards of county commissioners and cities to oversee the planning, coordination, administration, implementation and evaluation of the health and human service block grants.

Such a plan would enable local officials to:

1. Eliminate overlapping and duplicating programs and unnecessary administrative costs.
2. Streamline and provide for more efficient delivery of services.
3. Encourage the sharing of information and decision-making between the public and private sectors.
4. Implement local community self-determination of vital programs and services.

Such a plan would insure, in a time of reduced federal dollars, that diverse and unique community priorities are addressed, while avoiding costly and unnecessary duplication of effort.

ELIGIBILITY

Eligibility would be open to any county currently serviced by single agency delivery systems in the health and human services areas (i.e., single county 648 boards and/or CAP agencies).

Four counties currently being served by multi-county 648 boards and/or CAP agencies the State would provide small, first year incentive planning grants to interested boards of county commissioners to study resolving the boundary and service delivery issues, with input from the affected agencies. The State would approve such plans, if offered the second year and thereafter, on a case-by-case basis.

All other counties would simply maintain existing relationships with the State.

JOINT CITY/COUNTY VENTURES

Prior to signing a "letter of intent" to apply for the block grants, a board of county commissioners would be required to approach the city in that county in which the largest expenditure of health and human service block grants is being spent. The city would have three options. Within forty-five days, it could:

1. Approve the county's letter of intent, thereby agreeing to serve as an equal partner in the planning and administration of the block grants (in co-signing the letter of intent to the state; in providing staff support; in jointly selecting the local advisory committee; in agreeing to the same maintenance-of-effort standards; and in approving the final plan.
2. Decline to participate, making the county the sole applicant. (The City would still be represented on the Technical Advisory Group).
3. Decline to participate, retaining control over those block grant programs it now administers and for which it now receives direct funding from the State. Such a city would also forfeit any role over the remainder of the countywide block grants.

[July 23, 1982]

Hereafter, the county commissioners and the city are referred to as "applicants."

SCOPE OF THE GRANTS

Once they decided to apply, the applicants would be required to accept responsibility for all health and human service block grants, approved for eligibility by the General Assembly. Subject to legislative action, this would include the following block grants:

1. Preventive Health
2. Maternal and Child Health
3. Primary Care
4. Alcohol, Drug Abuse and Mental Health
5. Social Services
6. Community Services
7. Home Energy Assistance
8. Subsequent block grants relating to health and human services.

(This excludes the existing education and community development block grants).

Applicant(s) choosing not to accept responsibility for one or more of the eligible block grants would be required to show cause to the State.

STATE ROLE

1. The Governor, with the approval of the Joint Committee on Federal Funds, would be responsible for the following:
 - a. Setting the initial criteria for countywide block grant applications, including provisions through which applicant(s) could demonstrate how they would avoid administrative and program duplication.
 - b. Establishing criteria for eligibility of services, including required services and those provided on a fee-for-service basis.
 - c. Defining target populations (e.g., the elderly, pre-school, low income, deinstitutionalized) and administrative costs (based on reasonable cost-of-living and regional differentials).
 - d. Providing uniformity in definitions, grant application procedures, reporting requirements, and auditing and accounting procedures, including those used for purchase of service contracts.

Points a. through d. above would be published in a uniform block grant procedures manual, made available subsequent to having compiled with the Administrative Procedures Act.

2. The Executive Office would also provide the following services and perform the following functions:
 - a. Technical assistance to local governments in administering the block grants, including maintaining the names of local experts and administrators so that cities and counties could share their experience.
 - b. Issue an annual report on the implementation of the block grants.
 - c. Receive the applicant(s)' letter of intent and approve the countywide block grant proposals.
 - d. Work with the Statewide Joint Block Grant Committee to monitor and evaluate the implementation of the block grants and offer its recommendations for improvement to the Joint Committee on Federal funds, (or the Legislature) each year.
3. For joint city-county participants, there would be a single Executive Office or Department to approve the plan and work with these applicant(s). Uniform procedures and standards would be coordinated through this office. Non-participating counties and/or cities would maintain relationships with each lead state agency, as determined by the Governor and the General Assembly.

LOCAL APPLICATION PROCEDURES

To assume responsibility, the applicant(s) would submit a two-year plan to the Governor, to be approved annually. The thrust of the plan would be, in light of diminished federal dollars, how to assess and meet countywide needs efficiently without duplicating programs and services. The plan would:

1. Define the level of needs throughout the county, based on each area and service to be provided.
2. Require the assessment of existing countywide resources from the public, private, and non-profit sector.
3. Develop a coordinated strategy to address the identified needs and to avoid duplication and fragmentation.
4. Provide citizens and consumers of services with input throughout the decision-making process.

[July 23, 1982]

-3-

5. Demonstrate a strategy for assessing and monitoring the effectiveness of the services.

The applicant(s) at their option, may delegate the staff responsibility for development of the plan to their own staffs, to existing county and/or city departments or agencies, or they may contract out for such services.

CITIZENS' ADVISORY COMMITTEE

The applicant(s) would appoint an eight member Citizens' Advisory Committee to formulate the county wide block grant plan, subject to their final approval. One-half of the membership would be appointed by the board of county commissioners. The other one-half would be appointed by the municipal chief executive who agreed to initiate the joint venture. If the population of the second largest city is at least 50% of the largest city, the second largest city shall then have the opportunity to appoint one member, and the largest city shall then only make three appointments. These eight persons then appoint one other person to serve as the chair. If the county commissioners are the sole applicant, they would appoint all nine members. No member could be employed by nor serve on the board of any agency which distributes block grant funds. In addition, area legislators would be encouraged to serve as ex-official members.

TECHNICAL ADVISORY GROUP

Each Citizens' Advisory Committee would have access to a formal technical advisory group composed of the executive directors or their designee of the following organizations:

1. Mental Health Board
2. Board of Mental Retardation/Developmental Disabilities
3. Welfare Department and/or Children Service Board
4. Aging Agency
5. Public, Private and Non-profit Service Providers
6. Private Sector Funding Agencies
7. Community Action Agency
8. Regional Council on Alcoholism
9. City Health Department, Board of Health and/or Regional Health District
10. Other representatives as determined by the applicant(s)

Representation on the Technical Advisory Group would include all agencies which now distribute block grant dollars or otherwise have administrative responsibilities for such programs.

NEGOTIATED INVESTMENT STRATEGY

The applicant(s) would designate, based on existing program, administrative and funding responsibilities, the local lead agency for each block grant. Each such representative on the Technical Advisory Group would have initial responsibilities for recommending to the citizen's advisory committee the funding levels and program decisions for those agencies and groups under its jurisdiction (e.g., 6-8 board-mental health; CAP agency - HEAP and community services; welfare department and/or children services board - social services; city, county, health district - health; United Way - private dollars). The process would be modeled after a negotiated investment strategy.

Based on this information and the public hearings (see below) the citizens' advisory committee would make collective decisions in recommending a plan and a course of action to the applicant(s). The citizens' advisory committee would also have at its disposal, the staff assigned to it by the applicant(s).

In addition the plan would include:

1. Recommendation to reduce duplication in programs and service delivery, as well as ways to combine services being provided to the same populations.
2. Contingency plans for rationing services and making cutbacks in the event of reduced state dollars.
3. Contingency plans for setting priorities, should additional dollars become available.

COUNTY PLAN APPROVAL AND SUBMISSION TO THE STATE

The two-year plan would be prepared by the Citizens' Advisory Committee, which would hold at least two public hearings on the plan. The first hearing would be to gather community input in developing the plan. The second hearing would encourage public testimony on the plan, prior to its adoption by the advisory committee. The plan, as recommended by the advisory committee, would then be submitted to the applicant(s) with the following attachments:

1. A summary of changes made as a result of the public hearings.
2. A summary of hearing testimony and comments
3. Copies of letters and statements received in relation to the plan.

[July 23, 1982]

The applicant(s) would hold a joint public hearing on the plan, make changes as needed, and then submit the plan for approval to the Governor. The Governor would then review the plan and, within 45 days, must either:

1. Approve the entire plan as submitted.
2. Approve portions of the plan and disapprove other parts with a written explanation.
3. Return plan and request additional information.
4. Disapprove plan with a written explanation.

If the Governor disapproves the plan or any portion thereof, he must document, through substantial evidence, that priority service needs of the county were not being addressed. Such a disapproval would be subject to review under either Chapter 2506 or 119 of the Revised Code.

If the city and county fail to agree on the plan, each of the block grants would be treated separately and the funds would flow via the traditional relationships with each lead state agency.

MAINTENANCE OF EFFORT

Applicant(s) would not be able to reduce their previous local human service financial commitments nor use the new federal dollars simply to supplant previous local effort. This prohibition would not apply, however, under the following circumstances:

1. A special levy expires, is not renewed, or is repealed.
2. The applicant(s) document that there exists a severe fiscal problem and show the reasonableness of the reductions in relation to cuts in the entire city and/or county budget.

The Citizen's Advisory Committee would be responsible for notifying the public of the scope of and the reasons for the reductions. Finally, no funds could be used for capital improvements not direct payments. Reductions in local effort would be coordinated through the Citizen's Advisory Committee.

ONE-YEAR GRACE PERIOD

Once the applicant(s) accept responsibility for administering the block grants, there would be a one-year grace period for all agencies and groups who are currently providing services under these programs, unless a particular agency or group no longer wishes to participate. At the end of this period, the applicant(s) would have to show cause why they wish to terminate such arrangements.

CONTINUED PARTICIPATION

Annually, the eligible applicant(s) would be given the option to participate; to renew their participation, or to discontinue their participation. By January 30th of each year, the applicant(s) would have to notify the state as well as the local participants, of their intent for the next fiscal year.

A procedure would be established to honor existing contracts in order to provide for a smooth transition in continuing the program and services.

STATEWIDE JOINT BLOCK GRANT COMMITTEE

There shall be established a statewide joint block grant committee to review and monitor the impact of the new federalism on state and local governments in Ohio. It shall be composed of:

1. Legislative Budget Office
2. Office of Budget and Management
3. Four legislators, each appointed by the leadership for each party and each house
4. Two Commissioners selected by CCAO
5. Six general citizen members to represent various health and human service interests
6. Two local officials selected by the Ohio Municipal League

Staffing would be provided by the Governor's Block Grant Office, OMB and/or LBO. The Statewide Joint Block Grant Committee would issue an annual report to the General Assembly evaluating the block grant programs and including its recommendations for improvements.

August 4, 1982

Mr. George I. Meisel
Squire, Sanders & Dempsey
1800 Union Commerce Building
Cleveland, Ohio 44115

Dear ~~George~~ Meisel:

I am delighted that you have agreed to be a member of the State Liason Committee. The next meeting will be at 8 A.M. on Monday, September 20, in the Parlor of The Temple, University Circle at Silver Park. You will be receiving some material on this meeting shortly. I look forward to seeing you there.

I know it's an ungodly hour but at least it's a Godly place.

Very truly yours,

Daniel Jeremy Silver

DJS:mp

Ted Bonda stated that the new superintendent is a very exciting person. Even though he will not report for duty until sometime in November, he has been coming in three times a week. He will be developing a position paper which will outline his plan of action.

It is anticipated that the schools will open on time.

Mr. Pace reminded the Board that education has been identified by the Roundtable as a very key problem in this community. He is, therefore, pleased at the level of support the organization has given this issue. Mr. Bonda indicated that the Roundtable has been quite helpful to the school system. He expressed his appreciation to the Board for its support.

COMMITTEE ON YOUTH EMPLOYMENT - LYMAN H. TREADWAY

Mr. Treadway reported that at the suggestion of Steven Minter of the Cleveland Foundation, members of the Youth Employment Committee met with the New York Partnership to become acquainted with their summer youth employment program. Mr. Treadway indicated that we need to accelerate our youth employment programmatic efforts here in Cleveland. Along this line, we will soon have to think about the fundraising aspect of our proposed program.

Jose Feliciano indicated that he was impressed with the level of enthusiasm that was expressed by the staff of Citibank Corporation. The Partnership program there was supplemental to the New York City CETA efforts. The City provided 50,000 to 60,000 CETA jobs; and the private sector provided 13,000. He further indicated that he was particularly interested in the way that the partnership has obtained corporate sponsors over the past two years. The sponsors are chosen in advance. For example, while Citibank had the lead for 1982, Phillip Morris was very much apart of the program and can benefit from this year's experience as they will have the lead role for 1983.

A question was raised as to whether any of the jobs in New York were newly created. Mr. Feliciano stated that while there were no hard figures, Mr. Kolterjahn of Citibank indicated that some of the jobs were new.

Mr. Treadway indicated that the New York Partnership Committee very actively solicited employers and the program was very well organized. Citibank committed 20 of its permanent staff to coordinate the city-wide effort. There was heavy involvement of the banks and utilities, particularly Citibank, Chemical Bank, Manufacturers Hanover, and the New York Telephone Company. They all used their customer statements to include information regarding the program. Over 700,000 statement enclosures were mailed to employers.

Mr. Treadway reviewed the central concept of his proposed program and indicated that consideration is now being given to having a two-prong approach. The first part being a neighborhood effort, and the second part a direct private sector effort such as the one implemented in New York City. Questions regarding local organizational relationships were raised. Mr. Treadway indicated that the Committee will

be giving consideration to this matter before making its recommendations.

COMMITTEE ON HOUSING & NEIGHBORHOOD DEVELOPMENT - BRUCE P. FOSTER

Mr. Pace reminded the Board that Al Ratner was appointed to head the Revenue Bond Task Force for the Roundtable. It was decided, however, that a separate committee was also needed. There are currently two committees in place; the Roundtable's Revenue Bond Task Force and a broader group--the Committee to Lower Mortgage Rates, which is not a committee of the Roundtable. The Chairman stated that Mr. Ratner has been asked to assume a difficult assignment and continuing support is needed from the Board. The important objective is getting adequate support for housing for the Cleveland area.

Mr. Foster reported that the Committee to Lower Mortgage Rates has met twice this month. Mayor Voinovich has agreed to serve as Chairman of this group.

COMMITTEE ON RACE RELATIONS - DAVID G. HILL

Survey interviews began on July 7 and were concluded on August 13. Yankelovich, Skelly & White is now compiling, processing, and analyzing the data. The Executive Committee has requested that the preliminary draft of the report be reviewed by the Race Relations and Executive Committees before it is presented to the Board. The following dates have been suggested:

Top-line findings presentation - Race Relations Committee
- Friday, October 15

Preliminary draft of final report - Executive Committee
- Tuesday, October 19

Final Report - Board of Trustees
- Monday, October 25

A press conference is being considered.

Bishop Pilla informed the Board that the matter regarding a couple of the interviews was resolved.

Mr. Pace reminded the Board that the Race/Ethnic Relations Survey is a major undertaking by the organization. These are issues which have to be faced by this community as well as the country. The survey represents the first step in an effort to get a plan of action in place. The organization's ability to handle the outcome of the survey could well determine our ability to work together in the future. He stated that he will be looking to members of the Board for their insights and direction.

Board of Trustees Meeting
August 30, 1982
Page 4

It was recommended that no attempt should be made to release the survey data until after the November election.

BOARD RESPONSIBILITIES

A statement of duties and responsibilities for members of the Board was distributed. It was reviewed and unanimously approved. (See Attachment)

NEW BUSINESS

Enterprise Zone Concept

The question was raised as to whether the Roundtable had endorsed the enterprise zone concept? It was indicated that some of the members of the Board of Education had objected to the City's enterprise zone proposal. Some of the unions also objected to it because they feel it will lower the cost of labor.

Based on the work of our Economic Development Committee, there is a sense of support by the Roundtable for the enterprise zone concept. After some discussion it was recommended that this matter be presented to the Labor/Management Forum.

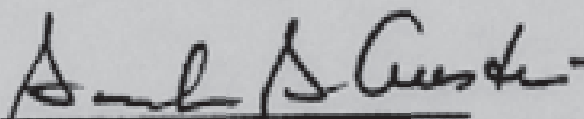
Future Board Meetings

The new superintendent of schools, Dr. Frederick Holliday, has been invited to speak to the Board on September 30.

Mr. William Norris, Chief Executive Officer of Control Data Corporation, is scheduled to speak at our December meeting.

ADJOURNMENT

The meeting was adjourned at 9 a.m.


Sarah S. Austin
Executive Director

SSA:kek

Attachment

GREATER CLEVELAND ROUNDTABLE

Responsibilities of Trustees

Effective Board members are advocates for the organization. Therefore, a Trustee must:

- understand and be committed to the mission of the organization--specifically, to provide a forum in which key leaders of the community encourage, advocate and support the development and implementation of credible and feasible plans for the revitalization and re-development of the quality of life for the residents of Greater Cleveland
- serve as channel of communication with his/her constituency, agency, corporation, or organization
- attend and participate in regular Board meetings; a Trustee's presence as well as his/her ideas and points of view are needed
- serve on at least one committee
- assist the organization in achieving its financial requirements
- consult as appropriate with Executive Director in area of particular knowledge, skill, or expertise
- maintain the confidential nature of Board deliberations as appropriate

8/26/82



100 ERIEVIEW PLAZA ROOM 2041 CLEVELAND, OHIO 44114 216) 579-9980

Chairman
Stanley C. Pace

Executive Director
Sarah Short Austin

Vice Chairman
Melvin C. Arnold
E. Mandell de Windt
Carole F. Hoover
Jackie Presser

Secretary
David G. Hill

Treasurer
M. Brock Weir

Committee Chairmen
Arnold R. Pinkney & John J. Dwyer:
Economic Development &
Jobs Creation
Allen C. Holmes: Education
Jackie Presser & Bruce P. Foster:
Housing & Neighborhood
Development
Reverend Otis Moss, Jr. &
Bishop Anthony M. Pilla:
Race Relations

Members
Reverend Dr. Henry W. Andersen
Claude B. Banks
Alva T. Bonda
Dr. Karl B. Bonutti
Commissioner Virgil E. Brown
William H. Bryant
John H. Bustamante
Erskine E. Gade
Edward C. Coaxum, Jr.
Dr. Nolan M. Ellison
Jose C. Feliciano
Council President George L. Forbes
Roy A. Gentles
Ray J. Groves
Martin J. Hughes
E. Bradley Jones
William E. MacDonald
Morton L. Mandel
Julien L. McCall
Ruble McCullough
George I. Meisel
John R. Miller
Bishop Floyd E. Perry
Richard W. Pogue
David V. Ragone
Albert B. Ratner
Alfonso P. Sanchez
Samuel K. Scovil
Rabbi Daniel J. Silver
Lyman H. Treadway
Frank J. Valenta
Mayor George V. Volnovich
Dr. Walter B. Waetjen
Ronald G. Wallace
James M. Whitley

September 14, 1982

STATE LIAISON COMMITTEE

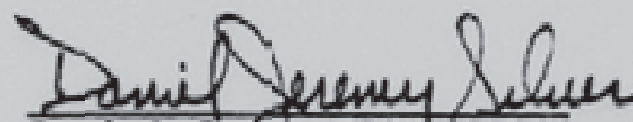
Notice of Meeting

The State Liaison Committee of the Roundtable will meet on Friday, October 15 at 8 a.m. at The Temple, University Circle at Silver Park.

Please review the attached materials and be prepared to discuss at the meeting.

PLEASE CONFIRM YOUR ATTENDANCE IN ORDER THAT THE APPROPRIATE ARRANGEMENTS CAN BE MADE. (579-9980)

Thank you for your continuing interest and participation.


Daniel Jeremy Silver
Chairman
State Liaison Committee

/kek

Greater Cleveland Roundtable
State Liaison Committee Meeting

The Temple

October 15, 1982

MINUTES

Rabbi Daniel Silver began the meeting by recalling that funding changes at the federal and state levels generated the need for the Block Grant Primer, the first document of its kind in the country. To date, the Primer and its updates have greatly facilitated the efforts of those involved with the coordination and administration of block grant funding. Yet four major areas of concern remain to be addressed by the Committee:

1. the identification of needs of local agencies
2. the proper role of the Roundtable in helping to satisfy such needs
3. the monitoring of activities in Columbus
4. the understanding of how the needs of local agencies impact upon the Greater Cleveland community.

In short, Rabbi Silver proposed a general query: How may the Roundtable best marshal its efforts and divergent interests in order to deal with the above concerns?

In reviewing these concerns in light of current events, Phil Allen noted that state departmental plans to administer block grant funding are woefully inadequate. Typically, the state has found itself using appropriated block grant funds to solve fiscal imbalances, as was the case this summer when funds set aside for the Preventive Health Block Grant were skimmed. Mr. Allen asserted that the most viable solution to this disorganization at the present time is the County Block Grant Proposal which could serve to facilitate the allocation and administration of block grant dollars. Despite the fact that both gubernatorial candidates have indicated their preference for a state-local nexus for the administration of block grants, Mr. Allen recommended that the Roundtable support the County Proposal for the time being, for it assures large urban areas of their fair share. The state legislature, he added, has failed to address the proposal since its members feel uneasy about fighting for federal dollars and then diffusing their authority to administer such funds.

In view of these comments, Mel Arnold indicated that the Roundtable should direct its efforts toward the administrative issues surrounding block grant funding, stating that the highest probability of success lies in the initiation of a "fair share" campaign.

In response, Rabbi Silver proposed that initially the objective of the Roundtable should be the broadening of its informational function, which entails the consolidation of periodic updates into an expanded Block Grant Primer, an enlargement of the Primer's distribution, and the solicitation of broader media coverage. Additionally, he suggested that the Roundtable consult with other concerned parties to obtain their ideas and suggestions which would benefit not only the Roundtable but the Greater Cleveland community as a whole. The placing of a full-time staff member in Columbus to act as the "eyes and ears," rather than the "mouth-piece," of the Roundtable could aid in the realization of its objectives. Such efforts he felt would promote the enhancement of routine channels and informational linkages between disparate bodies currently working toward similar ends. Mr. Baznick agreed, stating that a representative of the Roundtable, acting in this capacity, could well serve as a clearinghouse both for those acquiring and desiring information as to current events in Columbus.

Phil Allen, in support of this idea, informed the Committee that a general feeling of frustration presently exists statewide; all those concerned acknowledge that the current budget allocation and administrative process does not allow either local input or an ordered flow of information. Consequently, he recommended that the Roundtable direct its efforts toward the construction of an informational network to bring representatives and lobbyists together in local briefing sessions. Such meetings would allow issues of community concern to be aired and addressed, and hopefully incorporated into courses of action for the state legislature to consider.

George Meisel noted that the Great Lakes Commission plays this role on a multi-state level, but that in the Greater Cleveland area only the Greater Cleveland Growth Association approaches this function. As a result, he acknowledged the need for dynamic leadership in formulating an innovative administrative plan through the exchange and coalescence of views. In support of this assertion, he recalled that the rural sectors of the state remain aloof to the needs of Ohio's urban areas.

Rabbi Silver, therefore, recommended that the Roundtable seek the assistance of agency representatives and lobbyists in the construction of an informational network to aid city and county officials; community planning and consensus building, he stressed, should become the primary objective of the Roundtable.

In recognizing that the implementation of the Administration's New Federalism has decelerated considerably, Phil Allen confirmed that structural changes are rapidly becoming necessary; President Reagan in fact has requested that the states indicate what type of structural changes may best meet local needs and prevent skimming by state governments, most often through the imposition of exorbitant administrative fees.

Sarah Austin reminded the Committee that other proposals have been advanced to address this need for structural change, most notably the Report of the Citizens League's Ohio Tax Policy Committee; with the election of Dick Celeste as governor, she noted, fiscal maneuvering will become inevitable if campaign promises of retaining current health and human services are to be met.

Rabbi Silver then began to conclude the meeting by proposing that in the short-run the Roundtable should:

1. continue its informational and educational service by distributing regular updates of the Block Grant Primer, consolidated, if possible into a "desk top" manual;
2. compile and study a flow chart of how federal dollars travel to state and local levels, identifying the major decision-making points along the way; and,
3. review its lists of those who receive materials produced by the Roundtable, and ascertain its chances of convening a meeting of those involved with health and human services at the state and local levels to discuss the County Block Grant Proposal and the construction of an informational network; possible sponsors might include the Cleveland Foundation, the Gund Foundation, the City of Cleveland, and Cuyahoga County.

George Meisel remarked that this course of action would be the most appropriate since it will take from three to six months before a majority can be formed to enact the County Proposal; hence, it is essential that local consensus be generated before the proposal is voted upon.

Sarah Austin concluded by stating that the annual meeting of the Roundtable in April would be a proper forum to review the progress made by the Committee and consider long-term proposals for the future.

Greater Cleveland Roundtable

100 Erieview Plaza

Room 2041

Cleveland, Ohio 44114

Sarah Short Austin
Executive Director

(216) 579-9980

November 5, 1982

Rabbi Daniel J. Silver
The Temple Branch
26000 Shaker Boulevard
Beachwood, Ohio 44122

Dear Rabbi Silver:

Enclosed are the minutes from the last State Liaison Committee meeting and a summary of interviews conducted by Hans Kuenzi to ascertain the status of things. We are now in the process of putting together an expanded list for the distribution of the Block Grant Primer update.

In view of our research, I feel that the revision of the Block Grant Primer will be somewhat premature until final figures are released from Washington. However, I feel the Roundtable might concentrate its efforts on establishing a dialogue between those who are both for and against the county block grant proposal which seems to have generated some controversy. The widely divergent views I have encountered urgently need to be addressed and some consensus to be formulated before the proposal reaches the legislature.

What do you think?

Sincerely,

Sarah S. Austin /sk

Sarah S. Austin
Executive Director

SSA:kek

Enclosure

RACE AND
ETHNIC RELATIONS
IN CLEVELAND

Summary and Conclusions



November 16, 1932

SUMMARY AND CONCLUSIONS

This study reveals clearly, in our judgment, that Greater Cleveland is in an extraordinarily good position to improve its race and ethnic relations. The reasons for this general conclusion include the richly diverse ethnic population which Clevelanders consider to be a source of strength; a minority population whose leaders are perceived to enjoy positions of responsibility in the political, social and economic spheres; strong and influential leadership, especially in the government, business and religious communities; a strong community service tradition; and, perhaps most important, a general recognition among both leaders and public that Clevelanders have learned to deal with adversity and that something should and can be done to improve race relations.

While this conclusion suggests hope it should not be interpreted to mean that the problems will be solved easily. America has severe problems in race relations and Cleveland has not escaped them. Part of the problem is that as a group, Cleveland's minorities have long been disadvantaged. But contrary to the belief of some, Cleveland's minorities are not generally worse off than minorities in other metropolitan areas, nor are the attitudes of the White population substantially different from those of Whites in other communities.

The summary of findings which follows describes attitudes of the general public and Cleveland's leaders with respect to life in Cleveland and race relations. It is followed by a series of specific conclusions.

A. The Current Situation

1. Though most of the Cleveland population is relatively satisfied with life in the Cleveland area, when different racial groups are viewed separately, there is a substantial gap between White (74% satisfied) and Black (39% satisfied) residents.

...Two-thirds of all Cleveland residents express a high level of satisfaction with life in the area, up from prior years in Cleveland and higher than the national average.

...And Whites and Blacks agree on many of the key strengths of Cleveland as a place to live -- specifically, cultural offerings, medical facilities and recreation.

2. Clearly, however, life is harsher, on average, for Blacks and Hispanics in the Cleveland area.

...Blacks are substantially less satisfied than Whites with several key factors.

-- Just over half as many Blacks (41%)
as Whites (75%) consider Cleveland a
good place to raise a family

-- Only 16% of Blacks (vs. 35% of Whites)
view police protection in Cleveland
as good

...Blacks and Hispanics also are more affected by
economic hard times (lower incomes, more in
poverty, higher unemployment), and reflect
this in their concerns about life in Cleveland.

-- Over half of employed Blacks, and two-
thirds of Hispanics vs. one-third of
Whites, worry about losing their jobs

3. There is substantial agreement across the community
about the major challenges that Cleveland faces:

...Creating jobs to boost the local economy.

...Improving the quality of the public schools.

...Reducing crime and improving the effectiveness/
sensitivity of the police.

...Providing affordable and adequate housing.

4. Racial tension is perceived to contribute to the serious-
ness of these major Cleveland problems.

...While a majority of Cleveland residents -- of all races -- report that race relations have improved in the past five years, an even larger majority agrees that considerably more progress is needed.

...Cleveland's Black and Hispanic populations are more concerned about race relations than is its White population.

-- An increase in racial conflict in Cleveland is of considerable concern to 40% of Blacks, 52% of Hispanics and 28% of Whites

-- Cleveland leaders share the concern

- Four of five view race relations as at least a moderate problem

5. The current state of race relations in Cleveland is attributed to a complex array of factors.

...Economic competition. The current recession, coupled with the longer-term difficulties of the Cleveland economy might be expected to heighten racial tension. But while Blacks and Hispanics are clearly more heavily impacted by economic difficulties, the poor state of the

economy is viewed as a problem affecting everyone. Though a significant number of Blacks and Hispanics report discrimination in trying to obtain jobs, the private sector workplace is said by most Clevelanders who work -- both Black (89%) and White (76%) -- to be relatively free of such tension among employees. However, almost six in ten Blacks express concern about being excluded from middle and upper management.

...Patterns of Adversarial Relations. Many Cleveland residents and leaders believe that some political and other leaders have characterized public issues as racial in nature and have created an atmosphere in which race is used as an easy explanation for the existence of other problems. This perception is a factor in the generally low level of respect for city officials (excepting the Mayor). The media have the opportunity to focus attention on the many positive interactions that do occur. Many Cleveland leaders, in contrast to the public perception, believe that, to date, the media have often contributed to racial tensions by focusing excessively on divisive situations.

...City/Suburban. City/suburban differences account for at least some differences in satisfaction and levels of concern about race and other Cleveland problems among the White population.

- City/suburban differences illustrate this clearly, with many White suburban residents appearing to be almost immune to many of Cleveland's more serious problems
- White suburban residents express far higher levels of satisfaction and lower levels of concern about most aspects of Cleveland life, including race relations
- Importantly, suburban Blacks' concerns differ little from those of city Blacks

...Social Contact. Lack of consistent, non-threatening contact between people of different races heightens perceptions of racial tension and breeds uncertainty and even fear. In Cleveland, most residents live and interact predominantly with people of their own race. Not surprisingly, both Blacks and Whites are somewhat apprehensive about moving about in "other" areas of the community. Those White residents with the most negative racial attitudes tend to be most isolated, socially and physically, from Blacks.

...Racial Discrimination. A significant proportion of the White population of Cleveland -- perhaps one-third or more -- hold attitudes about Blacks that can be considered discriminatory.

-- These attitudes appear most acute in the housing area, where "discriminators" indicate negative views about housing integration of any kind

- They are considerably less negative about school integration

-- Discriminatory attitudes appear to be targeted toward Blacks. "Discriminators" do not have similar views about other minority groups such as Hispanics or Asians, and virtually no Blacks express such views about Whites

-- "Discriminators" live throughout the Cleveland area, though more often they live in the western suburbs

-- "Discriminators'" personal characteristics are similar to those throughout the country with similar views. They tend to be:

- Older
- More strongly attached to their own ethnic group (in Cleveland, people of Southern and Eastern European heritage fit this category most often)
- Less well off economically
- "Discriminators" are among those least receptive to ideas aimed at reducing racial tension

6. Many individuals and institutions provide leadership in Cleveland, but there does not appear to be a clear coalescence of leadership for improved race relations.

...Two-thirds of the population express great confidence in the judgment of their religious leaders.

- This extraordinary attitude suggests that the religious leaders can play an important role in carrying out programs designed to reduce racial tensions

...Nearly half of the population, both Black and White, have confidence that the mayor will make the right decisions on race relations issues.

-- No effective program of race relations improvement can be carried out in a community without the support of the mayor. Additionally, however, the exceptional, broad respect for Mayor Voinovich makes it possible to hope that if he will play a key role Cleveland can be a leader in the nation's progress on race relations improvement.

...The media, TV and the major newspaper, have equally broad support among the public, though they are viewed negatively by many leaders.

-- The important role of the media as a vehicle for communicating to the public goals and progress in attaining goals related to race relations cannot be overemphasized

7. Leaders and the public were asked to suggest and react to specific ideas in several areas of Cleveland life. Reactions to the most popular concepts are as follows:

...Crime/Police Relations. There is strong support across the board for programs that facilitate better police/community relations, especially in the minority community. Expanded minority recruitment is supported especially among Blacks and leaders.

...Housing/Neighborhood Integration. Strong community support for neighborhood organizations oriented toward improving race relations exists. There is moderate support among the public and leaders for mortgage assistance programs to encourage integrated neighborhood stability. Strong leadership support is also apparent for realtor monitoring.

...Jobs. Employment is the top concern of Clevelanders, and there is strong support for any job development program.

...Education. Quality of education is a major concern of the total population, which is only partially related to the problems of race relations. There is considerable agreement among leaders and all sectors of the community on the need for school improvements, as well as an effort to improve the current busing program. There is also an expectation that the whole community -- especially key leadership groups -- needs to focus on school problems.

B. Conclusions

These findings support the view that racial tension is a pervasive problem. It is one that is recognized in Cleveland, however, and the community is in a good position to make substantial progress towards improvement. In order to make this progress, we suggest that consideration be given to the following:

1. There is a strong need for a coordinated community effort to:

- ...Articulate specific goals in improving race relations.

- ...Measure progress over time.

- ...Communicate goals and progress in achieving them to the people of Cleveland.

There are now (and have been in the past) efforts made to reduce racial problems. But in the absence of a coordinated effort with the features noted above, the results have been limited and understanding the progress even more limited.

2. It is important that decisions be made about which individuals and institutions will concentrate on which program areas.

...The specialization will also take into account and build upon the many good programs (including, but not limited to, the Cuyahoga Plan and the Cleveland Tomorrow program) that already exist. It also will help to stretch necessary limited resources.

3. Based on this and prior studies, efforts aimed at improving race relations should focus on Cleveland's major problem areas:

...Crime/police relations.

...Public education.

...Housing and neighborhood integration.

...Jobs and economic revitalization.

Specific recommendations with respect to alleviating these problems, have been made elsewhere. Here, however, it is important to note in conclusion that, this study has found considerable agreement among the entire Cleveland population about its major community problems. Race is perceived clearly to be a part of the issue. The opportunity exists to direct the public's attention at the real underlying causes of these problems thereby reducing misplaced emphasis upon race. And, through the mobilization of leadership, articulation of goals and a unified communications strategy related to programs and their success, racial tension can be greatly reduced.

Greater Cleveland Roundtable

100 Erieview Plaza
Room 2041
Cleveland, Ohio 44114

Sarah Short Austin
Executive Director

(216) 579-9980

December 6, 1982

Rabbi Daniel J. Silver
The Temple Branch
26000 Shaker Boulevard
Beachwood, Ohio 44122

7/10/11

Dear Rabbi Silver:

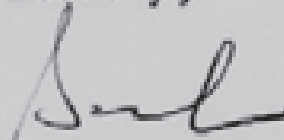
As follow-up to our recent conversation, I spoke with Bill Plato regarding the County's proposal to administer the Block Grant Program for the area. He indicated that it would be helpful if the Roundtable would host a meeting to review and discuss all aspects of the County's proposal. Hans and I can begin to put the meeting in place if you would let us know your recommendation and schedule.

INVITED
LIST

I am also enclosing a copy of the Washington/Columbus lobbying plan to be implemented by the Growth Association. Your thoughts regarding it would be much appreciated.

Best wishes.

Sincerely,



Sarah S. Austin
Executive Director

SSA:kek

Enclosure



Legislative Office

Peggy M. Siegel
Legislative Liaison
Columbus, Ohio

December 27, 1982

Commissioners
Virgil E. Brown
Vincent C. Campanella
Edward F. Feighan

Ms. Sarah Austin, Executive Director
Greater Cleveland Roundtable
100 Erieview Plaza, Room 2041
Cleveland, Ohio 44114

Dear Sarah:

It was good talking to you again. As per your request, this letter will bring you up to date on the status of the permissive county-city block grant proposal initiated by the County Commissioners' Association of Ohio.

The proposal is currently being rewritten into draft legislation, which involves a fairly lengthy process of ironing out all of the structural and scheduling concerns as well as the policy issues. Particularly since the Cuyahoga County Commissioners and Mayor Voinovich have both endorsed the block grant proposal, the Roundtable's interest in holding a forum is well-founded, once the proposal is in final form. I will be happy to keep you up to date on its status so that you can react accordingly.

Please do not hesitate to contact me again if I can be of further assistance. Best wishes for a healthy, happy New Year!

All good wishes,

Legislative Liaison
Board of County Commissioners

PMS/mp

cc: William Plato

Columbus: 587 S. Grant Avenue (Rear) Columbus, Ohio 43206 (614) 228-4089



LEE I. FISHER

STATE HOUSE
COLUMBUS, OHIO 43215
(614) 466-1405

16TH HOUSE DISTRICT
CUYAHOGA COUNTY

Columbus
43215

COMMITTEES:

JUDICIARY AND CRIMINAL JUSTICE
CIVIL AND COMMERCIAL LAW
EDUCATION
HIGHWAYS AND HIGHWAY SAFETY

3333 E. Scarborough Road
Cleveland, Ohio 44118
December 28, 1982

MEMO

TO: David Sweet, Dean, College of Urban Affairs, Cleveland State University
Sara Austin, Executive Director, Greater Cleveland Roundtable
Richard Shatten, Senior Associate, Cleveland Tomorrow
Peggy Segal, Director of Legislative Office, Board of County Commissioners

FROM: Betsy Tabac, Legislative Project Director for State Senator Lee Fisher

I spoke on the phone with each of you recently about Lee's idea to open an office in Cleveland for the Cuyahoga County state legislative delegation. Your comments and the comments of a few others are very appreciated, especially at this early stage of the project.

Would you please put your thoughts on this idea in writing so that we may proceed in an orderly fashion to build support for the office. The areas we would like to know about include the following: What needs could the office serve? Who might support it both financially and with time? Is this a duplication of effort? Do you know of a similar effort elsewhere in Ohio or the nation? Who else should be contacted for support and ideas?

Thank you for your observations about this idea. We appreciate your taking the time to help make the office a reality. Please address your response to this memo to my address which is at the top right of this page.

DISTRICT OFFICE
20120 CHAGRIN BLVD.
SHAKER HTS., OHIO 44122
(216) 491-8221

CLEVELAND OFFICE
800 NATIONAL CITY E. 6TH BLDG.
CLEVELAND, OHIO 44114
(216) 621-0150

RESIDENCE
3288 ENDERBY RD.
SHAKER HTS., OHIO 44120
(216) 751-8229

NOT PRINTED AT STATE EXPENSE

[1982]

GREATER CLEVELAND ROUNDTABLE

STATE LIAISON COMMITTEE

Comments solicited in response to my request for up-to-date information regarding the federal block grant program.

Al Koson, Aide to U.S. Representative Mary Rose Oaker

- informed me that congressional appropriations for FY 1983 block grant programs will likely remain at FY 1982 levels; rather than debating funding amounts, battleweary congressmen will almost certainly "rubber-stamp" last fiscal year's figures. Moreover, all indications suggest that the CBGC and UDAG programs will be left intact.
- was unable to provide me with any updated federal agenda for the administration of the block grant program, due to the fact that at present one has not been released.

Pat Ruayne, Legislative Aide to State Representative Francine Panehal

- confirmed that all state agencies are currently operating on federal funds that were authorized and released by the Continuing Budget Resolution approved by Congress in late September. For example, the Home Energy Assistance Program (HEAP) has received \$65 million of its anticipated FY 1983 budget of \$93 million, a figure which is nearly identical to its FY 1982 budget. She agreed that Congress will most likely approve program funding at FY 1982 levels.
- informed me that an amendment to the State Community Services Block Grant (CSBG) was recently passed, authorizing the distribution of 90%, rather than 75% of program funding to Community Action Agency (CAA) service areas and 1982 providers.
- was unaware of any new developments regarding the County Block Grant Proposal advanced by the County Commissioners Association of Ohio (CCAO).
- agreed to send the Roundtable any materials she has concerning block grant funding allocations.

Sandy Darrow, Lobbyist for the Jewish Community Federation

- contended that the County Block Grant Proposal enjoys very little support among lobbyists in Columbus, noting that audience reaction to a recent presentation of the Plan by Lany Long of the CCA was very negative in tone. Despite the fact that bureaucratic elements in the CCAO are very supportive of the proposal, she asserted that the Commissioners themselves are leery of its enactment, which would force them to bear unwanted administrative burdens. Is it no coincidence, she asked, that many of the Commissioners are running for other public office?

-rather than embracing the County Block Grant Proposal, she felt local officials should focus their efforts on identifying what obstacles in the current system prevent better coordination. As it stands, she argued, Title XX guidelines at the local level currently allow sufficient flexibility in the allocation and administration of funds; the enactment of the County Proposal, on the other hand, would impose upon local officials a sense of guidelines too narrow in scope and too rigid in format to allow any improvement in services. Consequently, she contended that more could be done at the local level in terms of evaluating the current system and reviewing the County Proposal.

-identified the leading state issues regarding block grants as the following:

- *the formulation of a truly equitable plan for the distribution of block grant funds. The current plan has prompted repeated attacks by the state's rural sectors and was in fact the subject of a lawsuit that, albeit meritorious, was dismissed due only to the plaintiff's lack of standing. A properly-filed suit stands a good chance of overturning the present distribution formula.

- *the reevaluation of "earmarking" policies, which set aside fixed amounts of funds for certain functions. Lobbyists have begun advocating that earmarked federal monies be replaced at the state level with state funds, thereby the entirety of federal block grant funding to be passed along to local governments.

-informed me that once the State Legislature reconvenes on November 9 it intends to tie-up loose ends resulting from the latest budget bill, which includes defining group eligibility for the elderly, continuing its work on the recently enacted "workfare" program, and ironing-out various administrative difficulties.

Mary Pereno, Secretary to Peggy Siegal, Legislative Liaison for Cuyahoga County

-informed me that Ms. Siegal will not return from her studies at Harvard University until December 12, and that in the meantime she is not at liberty to comment upon current matters.

HK:kek

GREATER CLEVELAND ROUNDTABLE

STATE LIAISON COMMITTEE

Events that occur in the next few months will be vital to the growth and development of the Greater Cleveland area. For it is our ability to provide education, health, and social services to the area--in conjunction with economic growth--that will determine our future ability to attract new industry and maintain our position as a manufacturing and service center. It will be the combined efforts of community leaders from all sectors--business, labor, government, religious, community organizations, and residents--that determine Cleveland's future.

Combined efforts are the key words. It is only a unity of purpose that will bring Cleveland and Cuyahoga County's message to legislators and decision makers in Columbus and Washington. To achieve this unity there must be a sharing of information, and education of the citizenry, and a focal point for presenting our needs, particularly at the state level since there is no doubt that money and allocation decisions will primarily be made in Columbus. As it stands, the existing informational network may best be termed chaotic. The Joint Legislative Committee on Federal Funds has provide ineffective as a platform for the airing of community needs; information relating to important matters are to be voted upon. Likewise, informational literature emanating from various lobbyist and citizens groups often is sketchy and out-of-date by the time it is distributed to the public. Great amounts of money and effort are wasted through the lack of a coordinative network as the same skeletal information is compiled and then hurriedly distributed by diverse organizations. Clearly, a viable, broadly based informational network to ensure legislative input and feedback is urgently needed if a community agenda is to be formulated and publicized prior to crucial legislative decision making.

This objective raises a number of issues for the Roundtable to consider, the first of which asks what areas of community interest require further discussion vis-a-vis the current legislative agenda. From this determination, the issue becomes one of how the Roundtable could best serve as catalyst to encourage a high degree of consensus building in these areas. In other words, by what means could a single non-partisan accord be reached when considering the multiplicity of interests involved? How may the Roundtable focus the diverse attentions of city and county officials, as well as those of the various health and human services departmental lobbyists? In resolving this query, it must be remembered that our objective entails a broadly-based consensus reflecting the desires of both the public and elected officials, and not merely those of bureaucrats and government functionaries. Actual community input is a necessity if a true community consensus is to be achieved.

Once this issue is resolved, the next query asks how may the Roundtable best serve as a liaison to facilitate the translation of such a consensus to the legislators in a manner rapid enough to allow legislative reflection. What type of lobbyist effort would be most suitable, and what members would

ALSO
ADMINISTRATIVE
check

be most appropriate to serve our objective. Effective legislative input, as opposed to administrative input (which the County Block Grant Plan addresses), is essential if our efforts are to bear fruit. The final issue deals with the establishment of a feedback mechanism. By what means may legislative visibility and accountability best be promoted, and our efforts assured a reasonable probability of success?

Implicit in these considerations, however, is the recognition that the November elections are just around the corner. The executive leadership of the various health and human services agencies, with the exception of education due to its status independent of the state executive branch, will almost certainly change hands after the elections. Therefore, when weighing the above issues in the context of this election year, a further query arises: how may the Roundtable assess the candidates' positions with regard to future budgetary decisions while remaining nonpartisan in character and scope, which is crucial in order to maintain a broad basis of support? The resolution of these issues would be a primary goal if the Roundtable is to formulate some means of dynamic consensus building and to promote the free and ordered flow of information to and from Columbus.

NO?



[1982]

* Comments self-determination

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STAFFING)

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EXPERTS

[1982]

* BLOCK GRANT County Proposal

EVALUATE —

Position Paper or Needs of County
meeting with delegation - county

more TO SEE F

SKILLS BANK FOR COLUMBUS (1982)

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a round table -

O.C.C. - as 2 separate goals

2 goals

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NOT WITH GOV. CONTACTS -

1) Block grant

CWEV

2) Skills grant

3) Local grants

Real network

[1992]

LOBBY FOR ALL —

1) A POSITION TO TAKE TO
COUNTRY POPULATION

2) People who go down
TO COLUMBUS MOUNT

3) SKILL BUILDING — BRAND

4) Specific ^{with} ~~best~~ ^{good} ~~good~~

JOHN HANCOCK

5) MEET AS ROUNDTABLE
WITH LEGISLATION

6) LUNARIS

COMMITTEE OF

GREATER CLEVELAND ROUNDTABLE

STATE LIAISON COMMITTEE

Opinions solicited in response to my general query as to how may Roundtable serve a catalytic role in facilitating the development of a community agenda by means of formulating a state wide informational network to ensure legislative input and feedback.

John Habat, Executive Assistant to Mayor George Voinovich

- recognizes that an informational vacuum exists on the state level and sees definite need for the empanelment of a non-partisan or bi-partisan lobbyist group composed of representatives from city, county, and health and human services administrations.
- the information he does receive from various bodies e.g. State Department of Health, Ohio Health Commission, Bureau of Maternal Health, Governor's Office, etc., is often repetitive and out of date.
- contends that the County Commissioners and Ohio Municipal Leagues could best serve as springboards for legislative input, and feels that the third draft of the County Block Grant Proposal, which provides, among other things, for the empanelment of a formal advisory group composed of lay representatives with grassroots connections, looks promising to serve our proposed objective.] ?

Russell Tatro, Greater Cleveland Interchurch Council

- agrees that existing channels of communication may best be characterized as chaotic i.e. duplicity of efforts, lack of coordination, problems of timing.
- although his group has concentrated its focus on the federal, rather than state level, he questioned the ability of any new information conveyor to generate confidence and credibility, which he termed as integral to the establishment of a truly non- or bi-partisan body; expressed reservations about the "money clout" a lobbyist group coordinated by the Roundtable would be forced to carry. Emphasized the need for an exceptionally credible broadly-based lobbyist, despite the inherent conflict of interests that would result.

Joe Ferrante, Federation for Community Planning

- although he receives information from the Joint Legislative Committee on Federal Funds, Ohio Citizens Council, etc., he recognizes that sources are too general and timing is a problem despite the fact that they serve his purposes.
- lacks confidence in the ability of lobbyists to have much impact at public hearings conducted by Joint Legislative Committee. Due to his impression that the OBM Interdepartmental Task Force discourages legislative input from the public, he characterizes public hearings as

mere "window dressing," maintaining that the crucial decisions are made behind-closed doors by legislators with privy information, and then "presented" for public "consideration."

- recognizes definite need for a coordinating committee between the state and local levels, and highly endorsed third draft of the County Block Grant Proposal which establishes a coordinating and administrative body composed of county commissioners and a lay advisory board, which may not totally alleviate political conflicts, but at least is the only viable step forward.

Margaret Fissinger, aligned with University Hospitals of Cleveland

- not presently involved with block grants issues, but from past experiences agrees that informational networks are insufficient, discouraging, despite expressing her confidence in some federal literature, the OCC, etc. Portrays Joint Legislative Committee efforts as superficial and lacking clout, providing only an "information bridge" for the public.
- suggests the establishment of direct communications with legislators in Columbus, who she characterizes as most helpful when approached, via influential Roundtable members if funds and time are available.

Karen Lieske, Deputy Director of The Urban Recovery Project

- acknowledges that existing channels of communication in her field of housing and urban development are satisfactory, numerous sources provide both information and means of input, with most information coming from the federal level e.g. Housing and Development Reporter, and most input facilitated by state-wide professional organizations.
- could not suggest any alternative channels of communication with respect to the Roundtable's objectives.

Peggy Siegal, Legislative Liaison for Cuyahoga County

- although citing a number of good informational sources, e.g. OCC and the Gongwer News Service, she sees the definite need for a lobbyist and informational body which could encompass both public and private interests.
- despite characterizing the approaches of others involved in the block grant field as a bit too fatalistic, she acknowledges that legislators are willing to listen only when presented with coherent proposals and specific suggestions, i.e. ideas, rather than complaints.
- highly endorses the third draft of the County Plan, which she contends is almost universally supported, and is currently involved with its drafting as a bill for legislative presentment. Once completed, the bill will also be presented to both gubernatorial camps so as to familiarize the candidates and promote a cordusive atmosphere for its passage.
- portrays the county plan as the only viable plan to coordinate lobbyist efforts since it embodies a broad based coalition detached from bureaucratic vested interests. Moreover, she sees the Plan as a means to streamline the use of funds and efforts and to encourage the participation of public officials and lay persons with grass-root ties in a coordinative framework so as to guarantee that vital services would not be cut. Lastly, she contends that the Plan

promotes high public visibility and accountability with respect to elected officials.

-maintains that the Plan, although administrative in nature, will provide for a substantial degree of legislative input due to the broadness of its base; feels that legislators will look favorably upon a process which can effectively translate community needs and interests, and hence vote accordingly after meeting informally with members of the Board and gathering the tenor of community desires.



[1982]

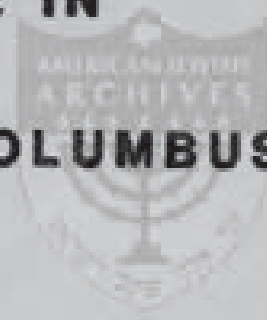
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Growth Assoc.

INCREASING GREATER CLEVELAND'S

PRESENCE IN

WASHINGTON/COLUMBUS



CURRENT EFFORTS

WASHINGTON, D.C.

- City man in Washington program
- Great Lakes Economic Policies Council
- Gubernatorial candidates pledge to strengthen Washington Office
- Individual issue centered efforts

COLUMBUS, OHIO

- City direct lobbying
 - County retained representation
 - Private sector direct lobbying
 - Urban Chamber Caucus -- local leadership
 - Educational direct lobby efforts
- Coordination is often ad-hoc, last minute, and inefficient, yet major efforts estimated to cost between \$170-\$275,000 yearly.
 - Other areas are using sophisticated approaches; while Greater Cleveland lacks an overall game plan.
 - Local efforts to develop and lobby a consensus capital improvements list for the state budget process represent the type of effort needed over a sustained time period.

DEVELOPING A COORDINATED RESPONSE

A SIX-STEP ACTION PROGRAM TO

- Strengthen Greater Cleveland's presence
- Accomplish objectives on priority agenda
- Better utilize existing resources

GOVERNMENT RELATIONS CONSORTIUM

- To direct the action programs
- Public and private sector leaders involved in planning for the area's long-term economic future
- Supported by key staff executives responsible for ongoing government relations



A SIX-POINT ACTION PROGRAM

1. Create a prioritized agenda for action in Washington/Columbus.
 - Increased presence
 - Specific issues for early attention
2. Create and direct effective networks for communication.
 - Ohio Washington Office
 - Greater Cleveland Office
 - Full-time Columbus representation
 - Contact type program
3. Assist in increasing the clout of locally elected officials.
 - Roles in organizations like Northeast-Midwest Coalition
 - Committee assignments
 - Controlling Board, etc.
4. Monitor issues and progress on agenda items more closely.
 - On-site committee and sub-committee actions
 - Public opinion surveys
5. Support officials who play leadership roles in agenda.
 - Media coverage
 - Informal support through appropriate means
 - Public acknowledgement
6. Leverage local efforts through coalition building.
 - Urban Chamber Caucus
 - State, regional, and national organizations

RESULTS

- Forum for local agenda building
- Coordination of existing resources
- Increased voice in Washington and
Columbus
- Action on priority community issues

POTENTIAL PRIORITIES FOR WASHINGTON ACTION

GREATER CLEVELAND-IMMEDIATE

- Terminal Tower Bridge Work
- Lewis Research Center
- Federal Facilities
 - FM&CS
 - Currency
 - Coast Guard
 - Corps of Engineers
 - Great Lakes Weather Unit
- Major contracts - area firms
- Federal urban enterprise zone designation
- Maybank Amendment

GREATER CLEVELAND-LONGER TERM

- Formulization
- Medical development
- Research center

GREAT LAKES

- Clean Air Amendment
- Maybank Amendment
- St. Lawrence Seaway
- IRB's
- Energy including water

POTENTIAL PRIORITIES FOR COLUMBUS ACTION

GREATER CLEVELAND-IMMEDIATE

- Downtown sports arena (CSU)
- Implementation of capital improvements
- Direct support for Cleveland's Washington Office
- State facilities in Greater Cleveland

GREATER CLEVELAND-LONGER TERM

- State enterprise zone support
- Technology center location and support
- Minority business center
- Small business development center

STATEWIDE

- Formulization favorable to urban areas
- Education support
- Housing authority - support
- Infrastructure support
- Economic development emphasis and support
- Business finance and technology support
- Establishment of Ohio Economic Mobilization Committee and program

IMPLEMENTATION

- Formation of consortium and advisory groups
- Program refinement, priority setting
- Resource development
- Implementation

ESTIMATED COSTS

- Start-up \$50,000 (coordination, staffing for Consortium)
- Minimal program range \$250-\$370,000 yearly
- Comprehensive program range \$400-\$640,000 yearly

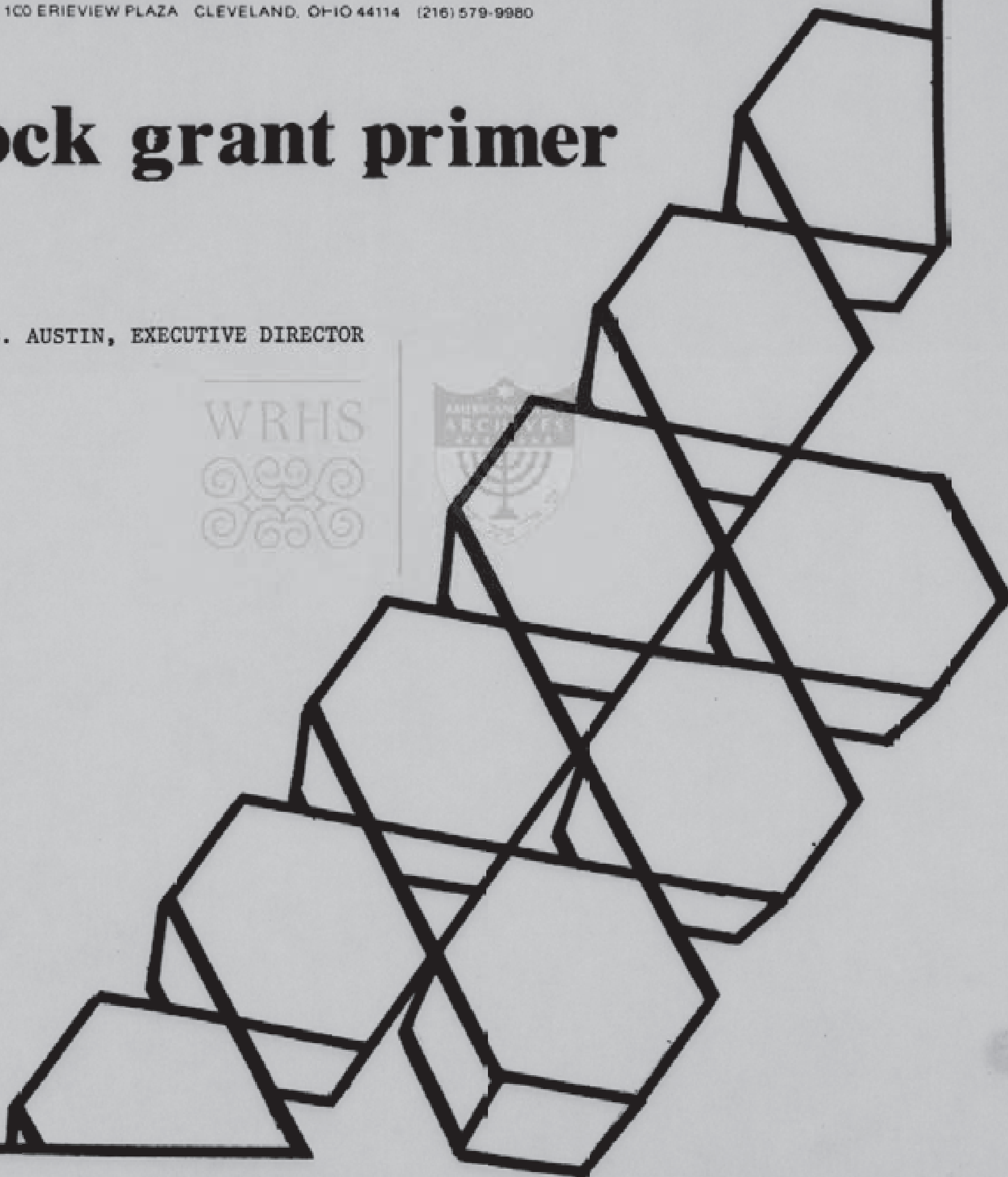
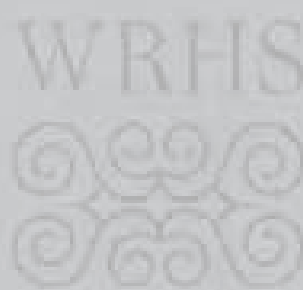
[1982]



ROOM 2041 100 ERIEVIEW PLAZA CLEVELAND, OHIO 44114 (216) 579-9980

block grant primer

SARAH S. AUSTIN, EXECUTIVE DIRECTOR



BLOCK GRANT PRIMER

Introduction

This primer was put together at the request of the State Liaison Committee of the Greater Cleveland Roundtable. It attempts to provide for our members basic information on block grants.

The Omnibus Reconciliation Act of 1981 created nine block grants by consolidating 67 categorical programs. Many of the previous categorical programs involved a federal-state relationship. However, one of the significant features of the block grants is the designation of the state as primary grant recipient and decision-maker.

Most analysts believe the nine block grants represent the beginning of an important trend in shifting responsibilities from the federal to the state level. Not only will the states be responsible for administering more programs, they will be faced with doing so with fewer federal dollars. They will be required to make decisions involving the allocation of scarce resources among competing interests; pinpointing intergovernmental issues which need study; and for resolving conflicts.

It is difficult at this point to determine the exact funding levels because the block grant program is still operating under a continuing resolution from Congress. This will require further action--either cuts or additions--to complete the fiscal year. The problem is further exacerbated because the state projects a fiscal deficit of over a billion dollars which will result in additional cuts.

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Even though we do not have the exact figure, it is important for the Roundtable as an urban coalition to discuss the issues and to explore ways to facilitate more effective state-local relations.

A recent newspaper interview with Mayor George V. Voinovich is included to give you a better understanding of the potential impact of the federal cuts on the City of Cleveland.

*Development of this document was made possible with the assistance of: Anita L. Morse, Professor of Law, Cleveland-Marshall College of Law; Judith A. Kaul, A/V Librarian, Cleveland-Marshall College of Law; and Hans Kuenzi, student, Cleveland-Marshall College of Law.

GOP mayor speaks against Reagan's budget cuts

By MARK HOPWOOD

No matter how sedate or outlandish their style, Cleveland's mayors seem to attract national attention. Remember Ralph Perk's pornography poll or the days of Dennis Kucinich as L'Enfant Terrible?

Mayor Voinovich, despite his reticence, pulled some national notice in his first term for turning around Cleveland's fiscal fortunes. And early in his second term, the mayor hasn't dropped out of sight.

He made a splash in November with his opinions on President Reagan's budget maneuvers and his call for New Federalism — the shifting of many federal programs and responsibilities back to the state and local governments.

In this Press interview, the mayor speaks strongly about the budget cuts and New Federalism. He considers their effect on Cleveland's growing unemployment and the resolve needed to overcome a possible economic tragedy here.

Leading public officials remain enamored with Voinovich. In fact, he is one of only three mayors invited to attend the National Governors Association meeting in Washington today to discuss the Reagan plan.

Some of this prominence is based on Voinovich's appearance of being a critic of the Republican president — a novel stance for the top big city Republican mayor to take. To some degree, it is a calculated appearance, cultivated since the presidential primary days when Voinovich favored George Bush over Reagan.

But lately Voinovich has become earnestly concerned about the welfare of America's cities and their inhabitants, especially in light of Reagan's 1983 budget proposal. He has not hesitated to voice his views.

In his comments before the governors, Voinovich said he will draw "a firm distinction between my beliefs in New Federalism and my concerns toward the 1983 federal budget."

Q: You seem to like Reagan's New Federalism, so why are you so critical of the budget cuts he is advocating?

A: First of all, people shouldn't confuse the 1983 budget proposal with New Federalism — they aren't the same thing. It's not New Federalism — it's budget cutting that we're dealing with. We haven't had any New Federalism to respond to, yet.

We can't tolerate any more cuts in the allotments for cities or for social service programs in the 1983 budget. If we have to balance the budget then we should do it on the back of the Defense Department.

It makes me sick to see how much one of those Trident submarines costs when you consider what that money could do for all of the cities in this country and for the people who live in those cities. You can't have great national defense if you have

hunger, poverty, unrest and unemployment in your major cities — communist leaders in Central and South America can point to the deteriorating condition of this country's cities. (Correcting this) ought to be the first order in our effort to win the hearts and minds of other people.

On the other hand, there is a separate issue of which level of government is most capable of providing services to the citizens of the country. How can we best utilize the dollars that are being poured out for the local, state and federal governments? I think this question is worthy of debate.

Unfortunately, the media has jumped out and written articles without even paying attention to what was being proposed by the president. Before people take positions that are cast in stone, they ought to at least dialogue on this question of New Federalism.

In order to have a realignment of responsibilities, there's got to be a general national consensus that the final plan is both fair and needed.

Q: Do you think the final plan is both fair and needed?

A: I have a lot of questions — about the speed of the change, how it will be funded, what level of government should be responsible for administering programs, will the federal government give up certain taxes and shift them back to local governments?

You can't undo in three or four years something that was started 40 years ago. Many programs should operate on the state or local level, but it is going to take time for state and local governments to develop the facilities and resources to handle such programs.

Q: So is the president's 1983 budget proposal sinking New Federalism?

A: The federalism issue may be confused with the cuts in the budget. In terms of timing, this discussion (of New Federalism) would have been better seven or eight years ago. I think the drift we have followed for the past 10 years or so without the debate on who ought to be delivering these services, how they should be paid for, has been unhealthy for the country.

As (Vermont's governor) said: "There should be a serious discourse on New Federalism, similar to the dialogue that took place 200 years ago prior to the ratification of the U.S. Constitution."

Q: Will we ever have a New Federalism discussion?

A: The economic condition of the country will have a major impact on this whole dialogue on New Federalism. If we have massive unemployment in this country — over 10% — no one is going to be talking about New Federalism. They are going to be worried about getting people back to work and they aren't going to give a damn whether it is the federal, state or local government doing it. Unless the pre-

dictions (of the president's advisors) are right and the economy is going to take an upturn at the end of this year, you can forget about the debate over New Federalism.

Besides, if they are not able to answer the questions of critics and if they aren't able to gain the support of state and local officials, the program will never work and the president won't have the votes in Congress to pass it.

Q: You've said you are worried about there being a "safety net" for those who could suffer under Reagan's proposals. Are you sure it's in place?

A: I said initially that I perceived holes in the safety net — holes that those of us in Cleveland are trying to mend. We can mend them locally, assuming the economic condition of the country picks up.

I recommended to the leadership of the National League of Cities and Congress of Mayors that what we ought to be doing now is getting together the ideas from our major cities in terms of how they are responding to the cuts that have taken place in the budget, how they are responding locally to those cuts, and what are they doing to help the people in their community survive during this period in time?

Q: You have said Cleveland's unemployment rate is 17%. How is that problem affecting us?

A: When the bread winner is out of work, that is a scary situation. How would you like to be one of those people out at Fisher Body who have been there 25 years and now don't know whether they are going to have a job in a year or two years from now?

There is no community in the country today that is trying harder to respond to human concerns that have developed as a result of cutting back the federal budget. There are greater demands on city services when people are not employed — for instance, we're seeing a greater number of people coming through our health centers. When you have high unemployment, you have a higher demand for police protection, higher demands for social services, there are more alcoholics and there is more family stress.

Most of the social services are provided by (Cuyahoga County), which handles things like welfare and mental health funding. We are putting a program together looking at what the county is doing, what the Federation for Community Planning is doing and what United Way and others are doing. As time goes on in terms of the economy, a lot of agencies are going to have to look at things a different way than they used to.

But I think we are progressing. The getting together and the talking about the problems of the community has been worthwhile, fruitful and has helped.

Q: How is the city participating in this effort?

A: We have put together our Community Development Block Grant with a major emphasis on uti-

lizing dollars for programs that are absolutely essential to this community, starting with housing, food, shelter, and medical care. I asked for a waiver (of federal regulations) so we could spend as much of our money as possible for social services to show the sincerity of our concern about these problems in the community.

Q: But why does the city's budget emphasize the Planning and Economic Development departments and not basic city services or social services?

A: I think one of the grave errors that this city made over the years was that when it fell upon hard times, (city officials) ignored planning and economic development. This is being penny wise and pound foolish. At a time like this the most important hedge against the terrible problems for the community is to have the tax dollars to respond to those problems.

We've got more dollars but it is a question of how you allocate those dollars. You might not be able to pave as many streets as you want or to mow the grass every week. But mowing the grass every week versus not being able to stimulate jobs in this community is a small price to pay for keeping the economy alive and well.

If the economy falls, then the taxes fall. When the taxes fall, the services fall. And when the services fall, the people move out of their neighborhoods and the businesses move out of the community.

Q: So you support less social services spending by the city in favor of aiding business?

A: If you're not out trying to cause business to stay in your community, through Urban Development Action Grants, or Economic Development Administration grants or packaging Small Business Administration loans and all the other benefits that are available (to convince) industry to stay in the city or to get them to expand, then you not only lose tax dollars, but United Way contributions and contributions to various churches — it is a rippling effect.

For every job we have in the city, we take 3% off the top that goes into the pot that is used to provide services to many in our community who are unable to provide tax dollars.

Q: Have you seen any evidence that this is working?

A: I think the fact that this town has a public-private partnership that is working, that (the town) has come together, that our national image has changed substantially, that people in this community feel a lot different than they did three years ago is a healthy sign that bodes well for the future.

But in terms of what other cities are doing in terms of economic development, Cleveland looks like a sick sister. Even with the increased spending for economic development, we are still way behind other cities.

THE REAGAN ADMINISTRATION BUDGET

The 1981 Omnibus Budget Reconciliation Act radically changed the federal-state and federal-city relationship; reducing federal monetary assistance upon which most urban areas are dependent. The largest change was the consolidation of 57 categorical grants into block grants, but other statutory changes make further inroads into the already deteriorating fiscal positions of cities and states. Important changes include:

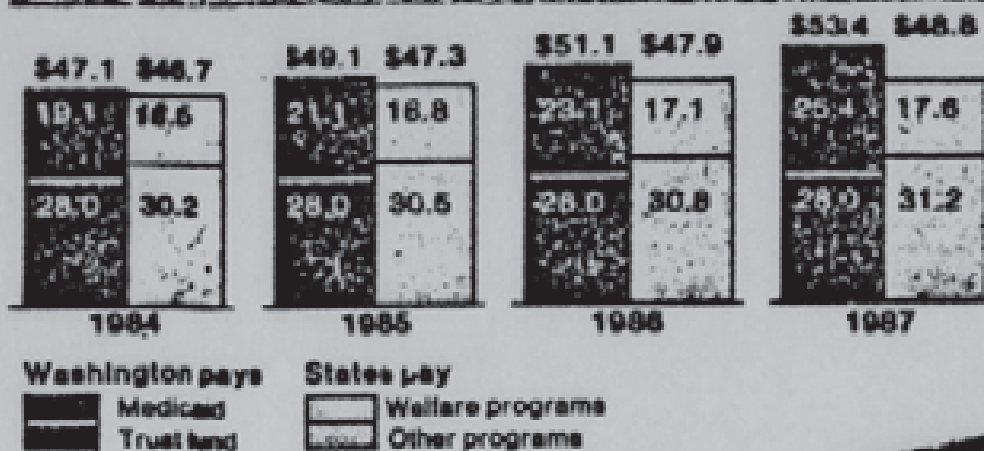
- a reduction of food stamp benefits which will increase local general assistance outlays.
- a reduction of federal Medicaid payments to the states and of medicare reimbursements to individuals or payees.
- a reduction of extended unemployment benefits and trade adjustment assistance benefits to laid-off workers and to economically distressed businesses.
- a reduction of funding for subsidized housing under Urban Development Action Grants.
- an end to rehabilitation loans used for community development programs.
- an increase in interest rates on Small Business Administration Loans.

Even more sweeping changes have been proposed for FY84. The Administration wants to federalize Medicaid and turn full responsibility for Aid to Families With Dependent Children and Food Stamps to the States. A four-year trust fund based on federal excise taxes will initiate the program; however, in 1988, full responsibility for both programs and tax maintenance will be placed on the states. T2 m

The reality of this program is a disaster for the cities of hard-pressed Northeastern and Middlewestern States, according to governors who have commented on the proposal. In urban areas like Cleveland service costs are the highest and yet revenues have been chronically low for several years. Ohio's cities and counties are raising taxes, increasing user fees, and deferring capital expenditures as federal funds are reduced, out of sheer necessity to make ends meet. But even with increased taxes, virtually every service level has been drastically reduced.

Give and take, Reagan-style

President Reagan wants states to assume all costs of food stamps, aid to families with dependent children and about 40 other federally funded programs. In return, Washington would pick up the full tab for Medicaid and establish a temporary trust fund to help states shoulder their new burdens. Administration projections, charted below, indicate the states would come out ahead through September 1988, but many challenge the economic assumptions behind these figures. (Fiscal years, in billions of dollars)

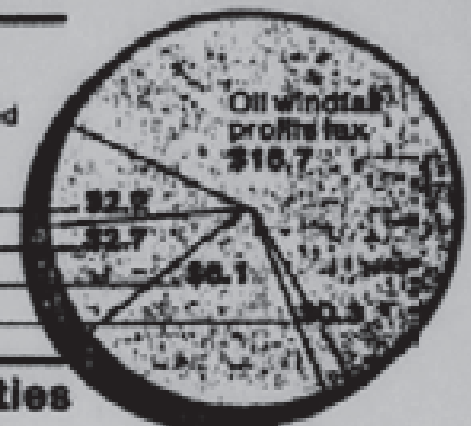


Source: The White House

Trust-fund sources

Total: \$28 billion annually
Tax receipts that would be earmarked to help states pay for programs. (in billions of dollars)

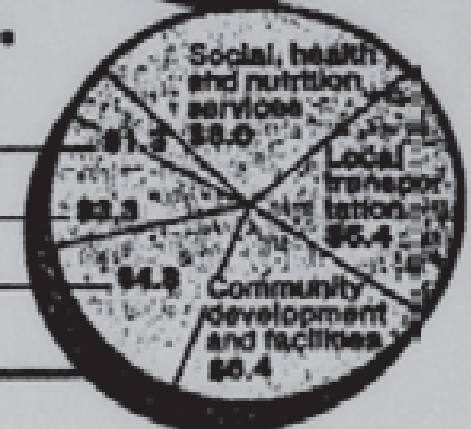
Gasoline
Tobacco
Alcohol
Telephone



States' responsibilities

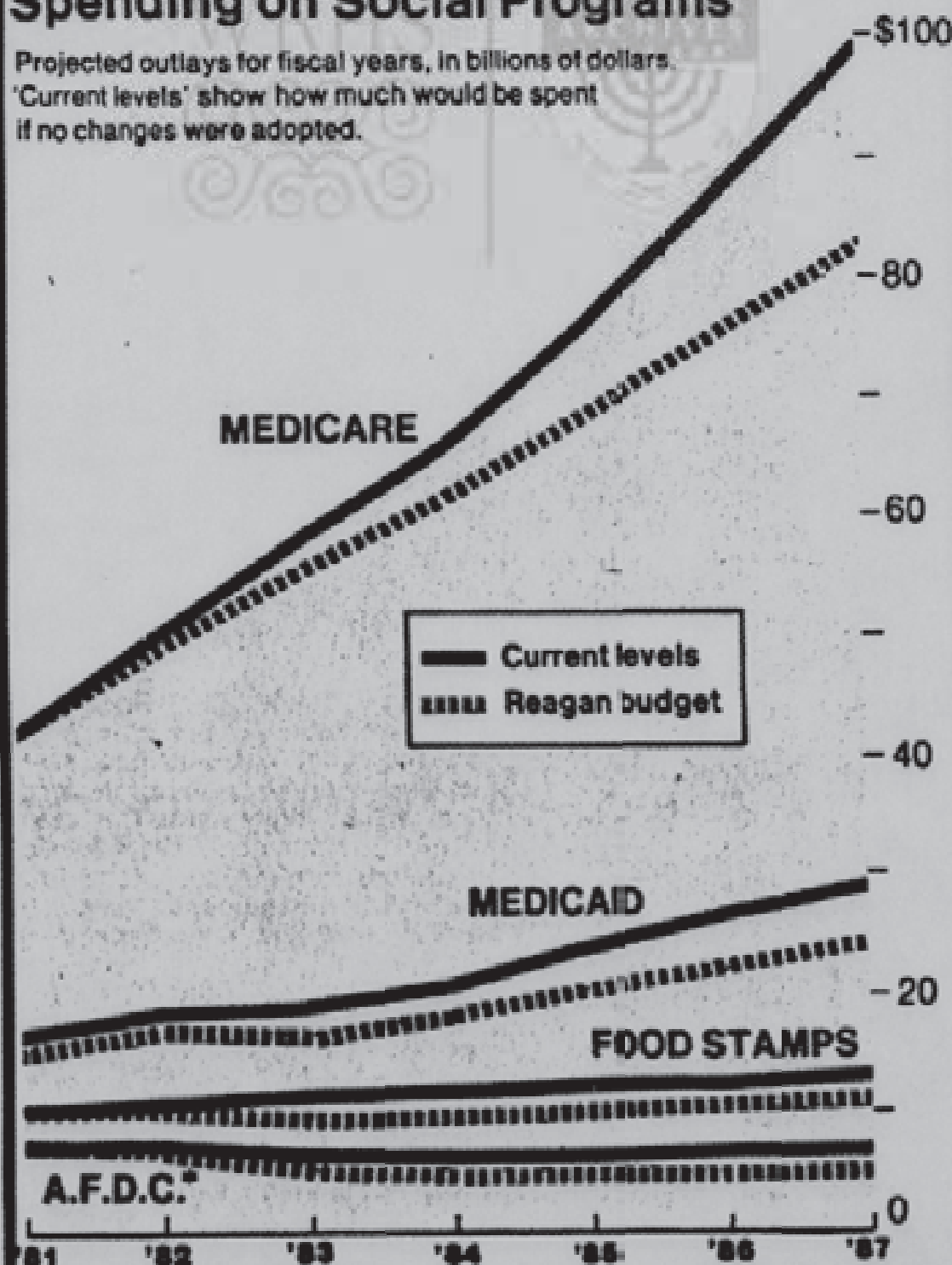
Total: \$30.2 billion in 1984
Kinds and costs of programs, besides welfare, that would be shifted out of Washington. (in billions of dollars)

Low-income home energy assistance
Education and training
Revenue sharing and occupational safety assistance



Spending on Social Programs

Projected outlays for fiscal years, in billions of dollars.
'Current levels' show how much would be spent if no changes were adopted.



* Aid to Families With Dependent Children

Source: Office of Management and Budget

THE PRESIDENT'S PLAN

BASIC PROGRAM GOALS

The President and his advisors have been forthright in saying that they hope to remove the Federal government entirely from authority over and financial responsibility for human services. A clear strategy to accomplish this objective is now emerging as reflected in the chart and timetable below.

<u>Timetable</u>	<u>Block Grants</u>	<u>Income Maintenance</u>	<u>Funding</u>	<u>Other</u>
FY 1982	57 programs consolidated into 9 block grants with authority transferred to states.	Eligibility narrowed; services diminished; tough administrative requirements.	25% reduction in dollars;	Deregulation of new and some existing programs. Abolition of some reporting and audit requirements. Staffing reductions in Federal agencies. Curtailment of research and professional development.
FY 1983	Several more programs consolidated into block grants.	Further reductions in eligibility and services. Even tougher administrative requirements.	Further reduction in dollars.	Further deregulation. Further reductions in Federal staff. Further curtailment of research and professional development.
FY 1984	Trust Fund of \$28 billion which states may use to buy Federal programs, take them over, or use for other purposes.	Federal government assumes Medicaid. States take over AFDC and Food Stamps.	Further reductions in dollars.	Close to total deregulation. Virtually no Federal staff help or monitoring.
FY 1987	Most federal administration of service programs and block grants ends.		Begin phase out of trust funds.	
FY 1991			Federal funding of services ends.	
Speculative	Local education and handicapped programs end? Programs for the aged altered?	Social Security changes. Ending of Medicaid? Medicare?		Federal role in research further curtailed?

Source: Jule M. Sugarman, President Reagan's 1982 Proposals. (White Paper No. IV for Citizens and Government Officials.) Human Services Information Center.

THE BLOCK GRANT PROGRAM

Block Grants: The Block Grant occupies a middleground position between Categorical Aid and General Revenue Sharing. A Block Grant is a program where funds are provided chiefly to general purpose governmental units in accordance with a statutory formula for use in a broad functional area largely at the recipient's discretion.

General Revenue Sharing: Automatic distribution of funds on a statutory formula basis to general purpose units of governments with little or no restriction on how the money is to be spent.

Categorical Grants: The primary purpose of a federal-grant-in aid or categorical grant is to provide the state with financial support to carry out a program's objectives. These grants are usually distributed by federal agencies under strict regulation and oversight for specifically targeted purposes.

Type of Grant	Recipient Discretion	Program Scope	Funding Criteria
Categorical	Lowest	Narrow	Federal Administrative Review
Categorical Formula	Low	Narrow	Legislative Formula
Block	Medium	Broad, Functional area	Legislative Formula
General Revenue Sharing	High	Broadest governmental operations	Legislative Formula

BACKGROUND OF FEDERAL FUNDING TO STATE AND LOCAL GOVERNMENTS

Block grants first emerged in the Nixon administration to centralize federal administrative authority under the Executive Office of the President. The plan was to diminish federal agency responsibility over domestic programs through both centralization of fiscal control under a new Office of Management and Budget and decentralization of programs. State and local governmental institutions were to be strengthened in setting

priorities and in making decisions considered to be rightfully theirs.

Block grants were intended to simplify and coordinate under elected officials the numerous grant-in-aid programs launched by administrations from the New Deal to the Great Society. A myriad of special purpose districts, community programs--independent power centers--had been created that circumvented local and state government. OMB Circular A-95 procedure for project review which set up regional and state clearinghouses remains as the most noteworthy accomplishment of the Nixon administration in providing federal coordination. However, whether state-local coordination in Ohio was effected is doubtful; the Ohio Joint Committee on Federal Funds of the Ohio Legislature reported that little is known as to who now hold federal funds and will now be competing for state and local replacement funds.

GENERAL AND SPECIAL REVENUE SHARING

General Revenue Sharing looked towards more than coordination and decentralization; it was intended to eliminate programmatic efforts and substitute money for programs. Unlike grants-in-aid or consolidated block grants, general revenue sharing is a totally "no strings" program. It removes conditions, such as citizen participation and focused programs, associated with categorical grants and placed power over funds in established political institutions. It was an answer to two growing problems of the 1960's: first the intense fiscal pressure on state and local government brought on by increased demand for urban services; second the lack of income-elastic revenue sources in the states. There was a fiscal mismatch between state and federal resources and needs. As conceived the program divided federal funds into general and special revenue sharing; however, only two Special Revenue Sharing programs, CETA and Housing and Community Development passed, and General Revenue Sharing formulas maintained federal controls through limiting the duration of appropriations rather than establishing a continuing trust fund.

Revenue sharing formulas had the effect of maintaining fragmented local government structures through a reliance on flat or minimal level funding rather than utilizing project applications. The formulas induced declining governmental structures to maintain their existence rather than to regionalize services. In Ohio where Home Rule permits competitive governmental units to exist in the same metropolitan area and where state and local tax limitations have been bypassed by special purpose districts, user fees, and levies, there are over 3,000 local governments competing for funds.

THE 1982 FEDERAL BLOCK GRANTS

The New Federalism is more than block grants and revenue sharing; its goal is to reduce the size of federal government. This means reducing the federal budget, cutting programs, eliminating federal regulations, and returning power and resources to states and local governments. To date, however, these goals have not been fully achieved.

CHART OF MAJOR FEATURES OF BLOCK GRANTS CREATED OR ALTERED BY OMNIBUS BUDGET RECONCILIATION ACT OF 1981 (PL 97-35)

	ALCOHOL, DRUG ABUSE AND MENTAL HEALTH	COMMUNITY DEVELOPMENT SUPPORT ASSISTANCE	COMMUNITY SERVICES	ELEMENTARY AND SECONDARY EDUCATION	LOW- INCOME HOME ENERGY ASSISTANCE	MATERIAL AND CHILD HEALTH SERVICES	PREVENTIVE HEALTH AND HEALTH SERVICES	PRIMARY CARE	SOCIAL SERVICES
FY 1981 FUNDING FOR OHIO AS CATEGORICAL PROGRAMS (IN MILLIONS OF DOLLARS)	37.5	NOT REPORTED	15.2	NOT REPORTED	93.7	17.1	5.8	13.35	145.95
FY 1982 FUNDING FOR OHIO AS BLOCK GRANTS (IN MILLIONS OF DOLLARS)	22.4	NOT REPORTED (FEDERAL EST. = \$0.0)	12.7	FUNDS RECEIVED WILL BE AS CATEGORICAL GRANTS (BLOCK GRANTS NOT EFFECTIVE UNTIL FY 1983)	81.9	12.2	3.8	10.2 WILL BE RECEIVED AS CAT. GRANTS (BLOCK GRANTS NOT EFFECTIVE UNTIL FY 1983)	113.7
LOSS (IN MILLIONS OF DOLLARS)	(\$15.1) -40.0%	NOT REPORTED	(2.5) -16.4%	NOT REPORTED	(3.8) -4.4%	(4.9) -28.6%	(2.0) -34%	(3.2) -24%	(32.3) -22%
NON-FEDERAL MATCHING	NONE	10% BY STATE IF IT ELECTS TO ADMINISTER PAYMENT	NONE	NONE	NONE	STATE MUST SPEND \$3 OF STATE FUNDS FOR EACH \$4 OF FEDERAL BLOCK GRANTS	NONE	20% STATE MATCH REQUIRED IN FY 1983; 33% IN FY 1984	NONE
USE OF FUNDS	STATE MUST ALLOCATE FUNDS BETWEEN MENTAL HEALTH AND SUBSTANCE ABUSE SERVICES IN SAME PROPORTION AS FEDERAL FUNDS WERE USED FOR BLOCK GRANTS; FEDERAL TO 100% OF STATE ALLOCATION IN FY 1982, 11% IN FY 1983, 87% IN FY 1984 OF SUBSTANCE ABUSE FUNDS, AT LEAST 55% MUST BE FOR FOR ALCOHOL ABUSE, 35% FOR DRUG ABUSE, AND 20% FOR PREVENTION AND EARLY INTERVENTION FOR FY 1982, 1983, AND 1984, STATES MUST FUND EACH COMMUNITY MENTAL HEALTH CENTER FEDERALLY FUNDED IN 1980	SMALL CITIES PORTION OF GRANT MUST BE USED BY LOCAL GOVERNMENTS OUTSIDE OF METROPOLITAN AREAS, WITH POPULATIONS LESS THAN THOUSAND FOR COMMUNITY DEV- OPMENT ACTIVITIES IN RURAL LOW AND MODERATE INCOME FAMILIES, AND IN THE PRE- VENTION OR ELIMINATION OF SUBSTANCE ABUSE, OR OTHER URGENT COMMUNITY DEVELOP- MENT NEEDS	50% OF ALLOCATION MUST BE DISTRIBUTED TO LOCAL GOVERNMENTS OR TO COMMU- NITY ORGANIZATIONS WITH DEM- ONSTRATED NEEDS BASED ON FACTORS OF QUALITY OF LIFE OF 1/3 PUBLIC OFFICIALS, 1/3 REPRESENTATIVES OF THE COMM- UNITY, AND 1/3 REPRESENTATIVES OF OTHER MAJOR COMMUNITY GROUPS, OR TO VARIOUS PARAPHRASE ORGANIZATIONS STATES MAY CARRY OVER ALL OR PART OF ONE YEAR'S ALLOCATION TO THE FOLLOWING YEAR	STATE MUST PAY THROUGH A MINIMUM OF 50% OF BLOCK GRANT TO LOCAL EDUCATION AGENCIES BASED ON FACTORS WHICH INCLUDE ENROLLMENT AND THE NUMBER OF STUDENTS WITH LOWEST AVAILABLE EDUCATIONAL LEVELS	STATE IS TO PROVIDE BENEFITS ONLY TO RECIPIENTS OF SSI, AFDC, FOOD STAMPS, VETERANS' PENSIONS OR TO HOUSEHOLDS WITH INCOME BELOW 150% OF POVERTY LEVEL OR 50% OF STATE MEDIAN INCOME. HIGHEST LEVEL OF BENEFITS MUST BE PROVIDED TO FAMILIES WITH THE LOWEST INCOME AND HIGHEST ENERGY COSTS. STATES MAY CARRY OVER 25% OF FUNDS FROM ONE FISCAL YEAR TO THE NEXT. OTHER UNFUNDED FUNDS ARE REALLOCATED TO OTHER STATES. AT LEAST 80% OF FUNDS MUST BE USED TO AID LOW INCOME HOUSEHOLDS IN MEETING HOME ENERGY COSTS; UP TO 15% MAY BE USED FOR VARIOUS OTHER	STATE MUST USE A "SUB- STANTIAL PORTION" OF FUNDS TO PROVIDE HEALTH SERVICES TO MATERNAL AND CHILDREN, AND A "REASONABLE" POR- TION TO ADDRESS ADULT PREVENTIVE, ADVISORY, EMERGENCY DISEASES AND HANDICAPPING CONDITIONS, INCREASE MATER- NITY CARE, CHILD IMMUNIZATIONS AND ADJUSTMENTS OF, AND SERVICES TO LOW-INCOME CHILDREN. FUNDS MAY BE USED FOR PLANNING, ADMINISTRATION, EVALUATION, EVALU- ATION AND PREVENTION, EMPLOY- MENT OR TECHNICAL ASSISTANCE FROM THE FEDERAL GOVERNMENT MAY ALSO FUNDS TO BE USED FOR STAFFING PERSONNEL FOR HOME CARE AND RELATED SERVICES TO MATERNAL AND CHILDREN, PREVENTION AND ADULT CHILDREN'S HOME, FOR MONTHLY, BIRTH, TUBERCU- LOSIS, CHOLERA AND SHIGELLA AND COMMUNICABLE DISEASES SURVEILLANCE AND TREATMENT COSTS	FOR FY 1982, STATE MUST FUND AT UNCHANGED LEVELS EMERGENCY MEDICAL SERVICES FUNDED IN FY 1981; MUST FUND HYPERLIPIDEMIA PROGRAMS AT 75% OF FEDERAL FUNDING LEVEL IN FY 1981, IN 1983 AT 70%, AND IN 1984 AT 65%.	IN FY 1983, ALL EXISTING, LEGALLY DEFINED COMMUNITY HEALTH CENTERS (CHCs), IN 1982 MUST RECEIVE GRANTS IN AMOUNTS NOT LESS THAN THOSE RECEIVED IN 1981. NO GUARANTEE OF FUNDING IN FY 1984, BUT STATE MUST APPROVE ANNUALLY UNDERWRITING POPULATIONS SERVED BY EXISTING CHCs WILL CONTINUE TO RECEIVE CARE STATE MUST NOT REDUPT EXISTING FEDERAL-FINANCED RELATIONSHIP TO THE EXTENT POSSIBLE.	BASIC LEVEL OF TITLE II EXTENDED MEDICAL WORK- FORCE IN 1981, AND FUNDING OF ADDITIONAL WORK- FORCE, ONE AND TWO WILLIAM SERVICES, FUNDING FOR THESE PROGRAMS MUST BE AT LEAST 75% OF FY 1981 LEVEL. STATES REQUIREMENT THAT AT LEAST 50% OF FUNDS BE USED FOR NURSING RECIPIENTS AND FAMILIES WITH INCOME BELOW 150% OF STATE'S MEDIAN INCOME
LEAD AGENCY	DEPARTMENT OF HEALTH, HEALTH	ADMINISTRATION, UNDER WHICH ONE MAY ASSUME RESPONSIBIL- ITY FOR THE "SMALL CITIES" PORTION OF THE GRANT, SUBJECT TO APPROVAL. DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT WILL BE OHIO'S LEAD AGENCY	DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT	ADMINISTRATION OF THIS GRANT WILL BE WITH FEDERAL APPROPRIATION; AND RECOGNITION AND CLARIFICATION; DEPART- MENT OF EDUCATION IS LEAD AGENCY	DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT	DEPARTMENT OF HEALTH	DEPARTMENT OF HEALTH	DEPARTMENT OF HEALTH & LOCAL GOVERNMENT	DEPARTMENT OF PUBLIC WELFARE
APPLICATION AND REPORTING	THE SECRETARY OF HHS DETER- MINES DATE OF APPLICATION. STATE MUST FILE REPORT ON INTERIM USE AND MATCHING OF BUDGETARY FUNDS.	THE GOVERNOR MUST CERTIFY THE STATE UNDER THIS COMMUNITY PLANNING; RECEIVE TECHNICAL ASSISTANCE TO LOCAL GOVERN- MENTS; AND CONSULT WITH LOCAL ELECTION OFFICIALS. STATE MUST SUBMIT A STATE- MENT ON THE PREVENTED USE AND DISTRIBUTION OF FUNDS. PERFORMANCE REPORT MUST BE SUBMITTED AT A TIME DETER- MINED BY SECRETARY OF HHS.	THE STATE MUST SUBMIT AN APPLICATION AND A PLAN EACH YEAR TO THE SECRETARY OF HHS. IN THE APPLICATION, STATE MUST AGREE TO USE THE FUNDS TO PROVIDE SERVICES TO A MAJOR PORTION OF THE CAUSE OF POVERTY.	STATE GOVERNMENT MUST SUB- MIT WITH GOVERNMENT REPORT THE PLAN AND A PLAN FOR A PERIOD OF UP TO 3 YEARS WITH STATEMENT OF THE DEPARTMENT OF EDUCATION, INCLUDING FUNDED ALLOCATION OF FUNDS AROUND 5 PERCENT TO EDUC- ATION, 5 PERCENT TO HEALTH SERVICES, 5 PERCENT TO COMMUNITY SERVICES, AND 5 PERCENT TO OTHER. LOCAL EDUCATION AGENCIES MUST FILE A 3 YEAR PLAN WITH STATE EDUCATION AGENCY	GOVERNOR MUST APPLY TO SECRETARY OF HHS, CONSIDERING THE STATE'S USE OF BUDGETARY FUNDS, AND ACTIVITIES WITH COMMUNITY SERVICES AND FEDERAL PROGRAMS; AND CONSIDERING THE STATE'S ACTIVITIES, AND PROVIDING ADMINISTRATIVE SUPPORT FOR THESE FUNDED GRANTS	STATE MUST FILE REPORT TO SECRETARY OF HHS ON INTERIM USE AND DISTRIBUTION OF FUNDS, WITH EXPLANATION OF HHS UNDERSTAND A MAJOR REPORT AND WILL REPORT FUNDS FINALLY BASED ON ANNU- AL REPORT	SECRETARY OF HHS DETERMINES THE PLAN AND DATE OF APPLI- CATION, WHICH MUST INCLUDE REPORT ON INTERIM USE AND MATCHING OF BUDGETARY FUNDS, INDICATING POPULATION, AREA, AND LOCALITIES WITH A NEED FOR SERVICE	STATE MUST APPLY TO THE SECRETARY OF HHS AND FILE ITS APPLICATION. APPLICATION MUST INCLUDE STATEMENT INDICATING CENTRAL FOR GOVERNMENT FUNDED GRANTS, FOR AN INDEPENDENT REVIEW PROCEDURE WITH CHC'S FUNDS IS OUT AS REQUIRED BY STATE. STATE MUST PROVIDE A COPY OF THE APPLICATION AND DISTRIBUTION OF BLOCK GRANTS TO PUBLIC WELFARE.	STATE MUST SUBMIT REPORT ON INTERIM USE AND MATCHING OF FUNDS, AND MUST BE USED FOR FUNDED AND COMMUNITY SERVICES TO BE REPORTED TO THE SECRETARY OF HHS.

We are seeing--

- A massive shift of spending priorities within the federal budget and not a reduction.
- A reluctance on the part of Congress to fully re-turn programs to state and local government or to give up total control over programs.
- Modest gains in the reduction of federal regulations.
- Maintenance of scaled-back programs in mass transit, employment, and Economic Development Administration economic development.

The 1981 Budget Reconciliation Act created or revised nine block grants and replaced existing city-federal relationships with direct state control over programs.

- Community Development consolidates entitlement city monies (Cleveland) with nonentitlement, small cities and rural areas monies and decreases the entitlement share of funds from 80% to 70% from a much reduced total allocation.
- Four of the block grants are for health.
- Three of the block grants are for social services and cash payments for the poor.
- The remaining block grant is for education.
- Federal funds have been drastically reduced. Ohio's share of federal funds for fiscal 1982 shows significant reductions.

The Budget and Social Programs: Costs and Proposed Cuts

Rounded figures are in billions of dollars for each fiscal year.

The 1981 figures are actual outlays; the other figures are projected spending.

The cost								The proposed '83 cuts	
FOOD STAMPS*	'81	'82	'83	'84	'85	'86	'87	PROGRAMS FOR THE POOR	
Without Reagan cuts	\$10.3	\$10.6	\$11.8	\$12.1	\$12.5	\$12.8	\$13.1	Child nutrition	9.4%
With Reagan cuts	10.3	10.3	9.6	9.7	10.0	10.2	10.4	Medicaid	10.4
WELFARE†								Welfare†	17.5
Without Reagan cuts	8.1	7.8	8.8	6.6	8.7	6.8	7.9	Social services block grant	17.8
With Reagan cuts	8.1	7.6	5.5	5.5	8.8	5.6	5.7	Education aid	17.9
MEDICAID								Food stamps	19.1
Without Reagan cuts	18.8	18.1	19.0	21.0	24.2	26.5	29.2	Low-income	
With Reagan cuts	16.4	17.8	17.0	18.6	20.4	22.1	24.3	energy assistance	25.8
MEDICARE								Training, employment	46.2
Without Reagan cuts	42.6	49.9	57.8	66.3	76.2	87.0	99.1	Other programs	
With Reagan cuts	42.5	49.6	55.4	61.2	68.4	75.6	83.1	Social Security	0%
								Veterans disability	
								compensation	1.4
								Medicare	4.3
								Civil Service retirement	2.2
								Guaranteed student loans	23.0

* Figures do not include Puerto Rico † Aid to Families with Dependent Children

Source: Office of Management and Budget

The 1982 Block Grants give the states a strong role in decision making about allocations and reduces the local role in the federal grant system. Local government officials, business leaders, and community leaders must now direct their efforts to influence plans for Ohio allocations at the state legislative and executive departments level.

OHIO STATE CONTROL OVER BLOCK GRANTS

In Ohio, control over block grant disposition is divided between the legislative and the executive branches of state government. The Joint Legislative Committee on Federal Funds, chaired by Representative Francine Panehal of Cleveland, was established by both houses of the legislature to monitor and review distribution of and recommend programs for federal monies and state matching funds. The Governor's Executive Order accepting eight of the nine block grants, primary health excepted, established lead executive agencies to act on behalf of the Governor in dealing with federal agencies and with local government in allocating block grant funds. Relationships between the Joint Committee and the lead executive agencies are still unclear. No veto power was granted to the Joint Committee; however, it is assuming an aggressive role in monitoring agency program proposals and in providing a forum for public interest lobbying.

IMPLEMENTATION OF THE BLOCK GRANT PROGRAM

AT THE STATE AND LOCAL LEVELS

THE BUDGET CYCLE

Federal, state and local governments operate on different fiscal years. The differences in funding years, combined with multi-year commitments under some federal grants, will make program planning more difficult. At present no complete base of information exists on the state of Ohio level as to whom holds federal grants and how great the loss will be in terms of services shifted to state and local funding.

BUDGET YEARS

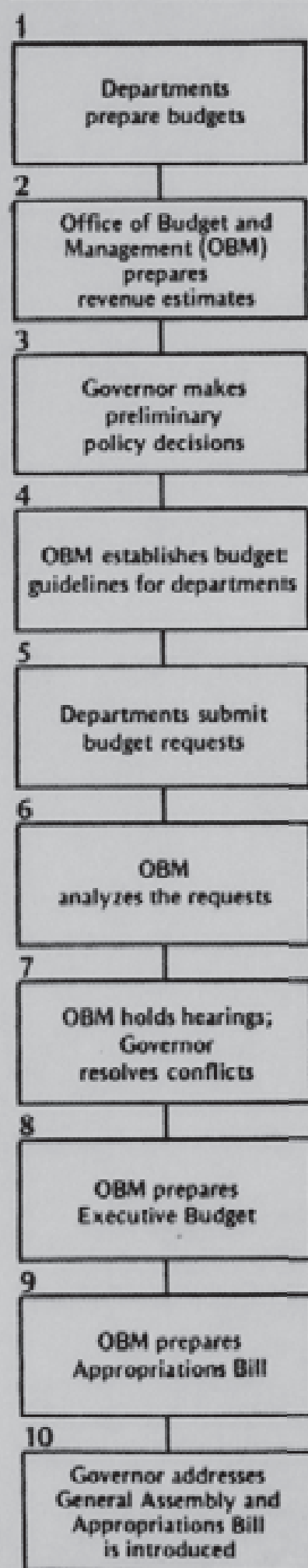
--Federal Government	October 1 to September 30
--State of Ohio	July 1 to June 30
--City of Cleveland	January 1 to December 31

BLOCK GRANT RESOURCE PERSONS

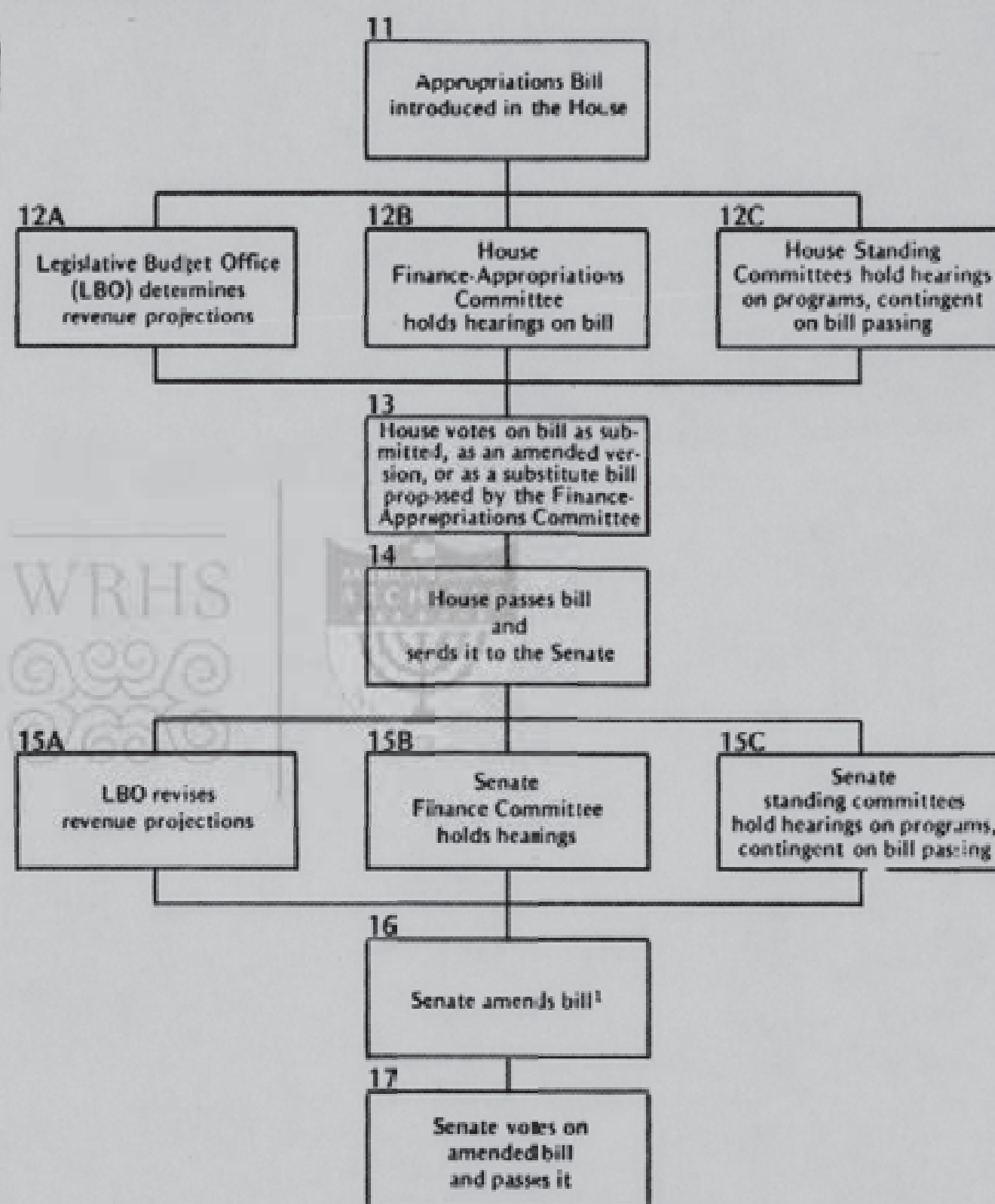
ALCOHOL, DRUG ABUSE, MENTAL HEALTH	SOCIAL SERVICES	COMMUNITY SERVICES	PREVENTIVE HEALTH
<p>CONTACT:</p> <p>Jim Myers, Coordinator Block Grants Transition Team Ohio Dept. of Mental Health 30 East Broad Street Columbus, Ohio 43215 Phone: 466-7570</p> <p>Paul Lanham, Chief Bureau of Alcoholism Ohio Dept. of Health 246 N. High Street Columbus, Ohio 43215 Phone: 466-3445</p>	<p>CONTACT:</p> <p>Jerry Collamore, Director Public Information Office -ODPW 30 E. Broad Street (32nd floor) Columbus, Ohio 43215 Phone: 466-6650</p> <p>Mary Turney, Deputy Director Program Development -ODPW 30 E. Broad Street (32nd floor) Columbus, Ohio 43215 Phone: 466-6124</p> <p>Martin Williams, Title XX Coordinator 30 E. Broad Street (33rd floor) Phone: 466-1213</p>	<p>CONTACT:</p> <p>Robert Freedman, Deputy Director, Com. Dev. 30 East Broad St. (floor 24) Columbus, Ohio 43215 Phone: 466-5863</p> <p>Tom Williams, Administrator DECD 30 East Broad St. (floor 24) Columbus, Ohio 43215 Phone: 466-5863</p> <p>D.G. Russell Community Services Office of Human Services P.O. Box 1001 24th Floor Columbus, Ohio 43216 Phone: 466-6014</p>	<p>CONTACT:</p> <p>Jesse Drake, Chief Administrative Services 246 N. High Street Columbus, Ohio 43216 Phone: 466-4237</p> <p>Dr. Thomas Halpin, Div. of Communicable Diseases 246 N. High Street Columbus, Ohio 43216 Phone: 466-4643</p>
PRIMARY HEALTH CARE	HOME ENERGY ASSISTANCE	COMMUNITY DEVELOPMENT	
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THE BUDGETARY PROCESS

The Administration



The Legislature

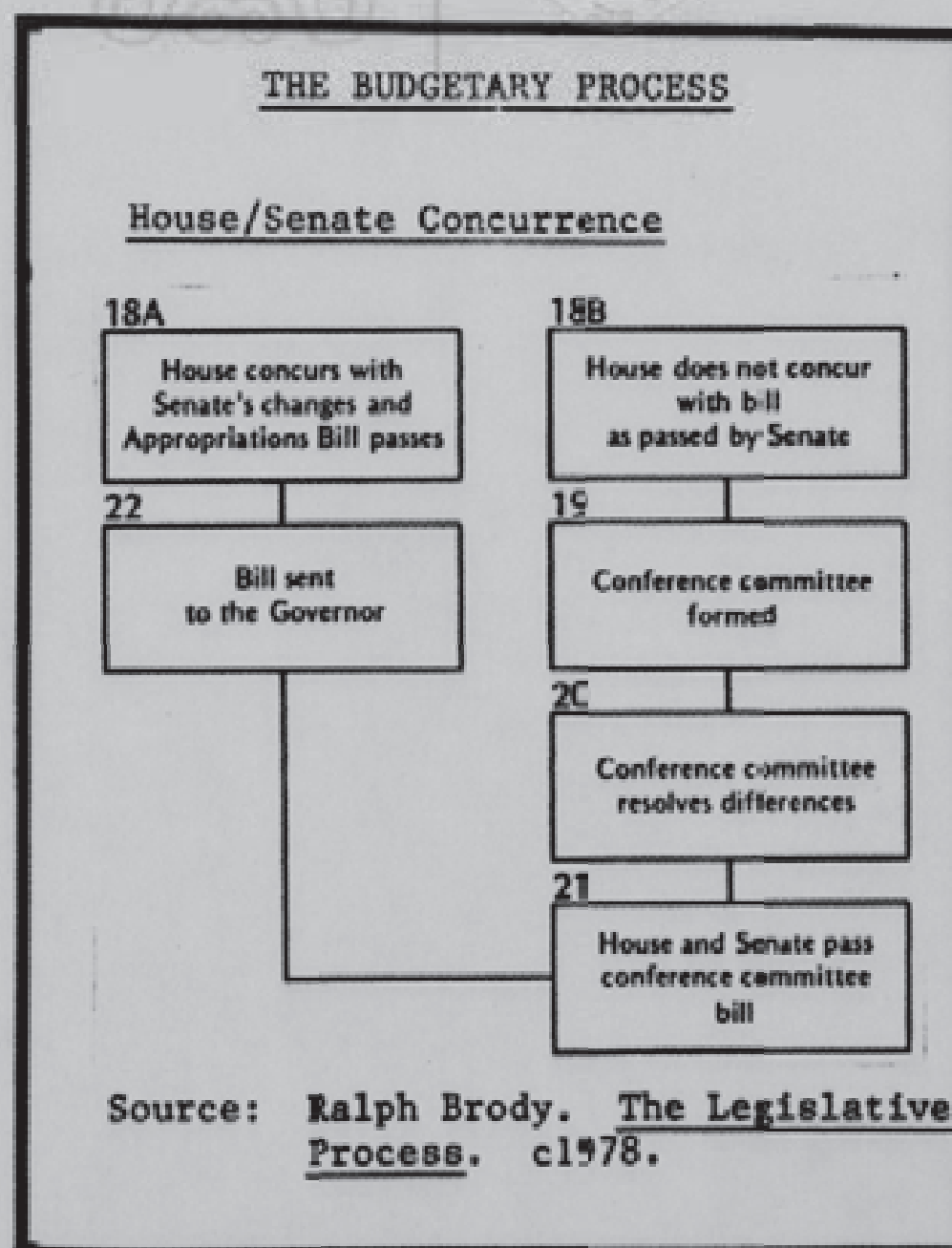


¹ The Senate does not have to amend the bill, but it usually does.

Source: Ralph Brody. The Legislative Process. c1978.

OHIO'S BUDGET PROCESS

1. Executive agencies prepare budget analyses and budget requests for submission to the Office of Budget and Management in the Governor's Office from January to August, 1982.
2. The Office of Budget and Management holds budget hearings in September, 1982.
3. The Governor submits the Executive Budget to the General Assembly of the State Legislature within four weeks of the convening of the General Assembly. In the case of a new Governor, as in 1983, by March 15, 1983.
4. The Legislative Budget Office of the General Assembly prepares detailed revenue estimates for the Legislature.
5. The House of Representatives Finance Committee, where budget bills are initiated, holds hearings.
6. The Budget Bill passed by the House is sent to the Senate, where the Senate Finance Committee holds hearings.
7. After the General Assembly passes the budget bill, it is sent to the Governor for action.
8. Ohio's Constitution provides that no appropriation shall be made for longer than two years.



ISSUES OF OHIO BUDGET MAKING

A survey of the National Conference of State Legislatures reported in the New York Times by economist Leonard Silk said that twelve states, including Ohio, are forecasting deficits for the current fiscal year. Ohio is struggling to balance its budget, in the face of reduced federal funds, by raising taxes and cutting expenditures, thus further eroding the incomes and employment of its residents. Budget cuts in Ohio for FY82 and FY83 will continue as tax revenues continue to decline. About 61% of revenues, where most expenditures for health, education, welfare, and human services included in block grants come from, are from Ohio's declining general revenue fund. The remainder of Ohio's revenues from licenses, fees, sales, and charges for goods and services are earmarked by statutory or Constitutional provisions for specific purposes--highways, for example--and cannot be used to cover shortfalls in general revenues available for state and local service expenditures.

Ohio as legislative and executive branches traditionally equalizes the fiscal pie among its 99 counties rather than targeting funds. The County Commissioners Association of Ohio strongly supports formula allocations of block grants which would equalize funds rather than competitive grant applications which would target funds. Competition through grant application allows focused or targeted funding to reach areas like Cleveland with greater need whereas formula distribution tends to equalize distribution over all governmental units.

Ohio and the Reagan Administration have proposed changing the formulas themselves, to the detriment of urban areas. The difference between formulas can drastically reduce funds to cities. For example the Reagan Administration proposes to eliminate age of housing as a part of the Community Development Block Grant formula, which would critically hurt Cleveland, where housing is primarily pre-1940 stock and the present formula has given Cleveland more funds for housing.

In Ohio, Representative Brown of Perrysburg, a member of the Joint Committee on Federal funds, Subcommittee on Medicaid and Welfare, has submitted legislation on the Social Services Block Grant that would change the distribution formula from a county-based need standard to a state-based need standard, thus possibly lowering the amount of funds that would come to Cuyahoga County and to Cleveland.

The Ohio Legislature, in both considering formula distribution which decreases the chances for targeted programs and changing the formulas to equalize distribution on a statewide basis rather than on a county or urban need basis, is contemplating a program that will further shrink aid to Cleveland.

--Decreased levels of service will be experienced as Cleveland is forced to lay off workers because of reduced departmental budgets.

--Deferring capital improvements spending will further weaken the infrastructure. Federal reductions in water projects, transportation, and economic development will rebound through the public and private sectors.

Budget Comparisons, 1965-85

Figures are rounded, in billions of dollars, for each fiscal year. Data for 1982-1985 are estimates.

	Receipts	Outlays	Surplus or deficit	Surplus or deficit as % of G.N.P.	Surplus or deficit as % of outlays
1965	\$116.833	\$118.430	- 1.596	0.2%	13.5%
1966	130.856	134.652	- 3.796	0.5	2.8
1967	148.906	157.608	- 8.702	1.1	5.6
1968	152.973	178.134	- 25.161	3.0	14.1
1969	188.682	183.645	+ 3.236	0.4	1.7
1970	192.807	195.852	- 2.845	0.3	1.4
1971	187.139	210.172	- 23.033	2.2	10.9
1972	207.309	230.681	- 23.373	2.1	10.1
1973	230.799	245.647	- 14.849	1.2	6.0
1974	263.244	267.912	- 4.668	0.3	1.8
1975	279.090	324.245	- 45.154	3.1	13.9
1976	298.060	364.473	- 66.413	4.0	18.2
T.O.*	81.232	94.188	- 12.956	N.A.	N.A.
1977	355.559	400.506	- 44.946	2.4	11.2
1978	399.561	448.368	- 48.807	2.3	10.9
1979	463.302	490.997	- 27.694	1.2	5.6
1980	517.112	576.675	- 59.563	2.3	10.3
1981	599.272	657.204	- 57.932	2.0	8.8
1982	626.753	725.331	- 98.578	3.2	13.8
1983	666.118	757.638	- 91.520	2.7	12.1
1984	723.017	805.935	- 82.918	2.2	10.3
1985	796.583	868.466	- 71.883	1.7	8.3

* In calendar year 1976, the Federal fiscal year was converted from a July 1- June 30 basis to an Oct. 1- Sept. 30 basis. T.O. refers to the transition quarter from July 1 to Sept. 30, 1976. Source: Office of Management and Budget

OHIO BLOCK GRANT PROPOSALS BY LEGISLATIVE AND EXECUTIVE AGENCIES

The Legislative Joint Committee on Federal Funds recommended that Ohio assume responsibility for seven of the nine block grants on October 1, 1981, and the remainder of the grants when federal regulations and fundings levels are defined. The seven block grants are:

ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH BLOCK GRANT

Lead Agency: Department of Mental Health.

Associated Agency: Department of Health.

Subcommittee: Education, Health and Human Services.

PREVENTIVE HEALTH AND HEALTH SERVICES BLOCK GRANT

Lead Agency: Department of Health.

Subcommittee: Education, Health and Human Services.

COMMUNITY SERVICES BLOCK GRANT

Lead Agency: Department of Economic and Community Development.

Subcommittee: Energy, Employment, and Economic and Community Development.

MATERNAL AND CHILD HEALTH SERVICES BLOCK GRANT

Lead Agency: Department of Health.

Subcommittee: Education, Health, and Human Services.

SOCIAL SERVICES BLOCK GRANT

Lead Agency: Department of Public Welfare.

Associated Agencies: Department of Mental Health.
Department of Mental Retardation
and Developmental Disabilities.

Subcommittee: Medicaid and Welfare.

LOW-INCOME ENERGY ASSISTANCE PROGRAM BLOCK GRANT

Lead Agency: Department of Economic and Community Development.

Subcommittee: Energy, Employment and Economic and Community Development.

COMMUNITY DEVELOPMENT BLOCK GRANT under which Ohio will assume responsibility for the "Small Cities" portion of the CDBG program.

Lead Agency: Department of Economic and Community Development.

Subcommittee: Energy, Employment, and Economic and Community Development.

The remaining Block Grants are:

PRIMARY HEALTH CARE BLOCK GRANTS for which no funds are available until FY83

Lead Agency: Department of Health.

Subcommittee: Education, Health and Human Services.

EDUCATION BLOCK GRANT

Lead Agency: Department of Education.

Subcommittee: Education, Health, and Human Services.

The Joint Committee on Federal Funds began consideration of block grant proposals in January of 1982. The Ohio State Controlling Board, composed of the Director of the Office of Budget and Management and House and Senate leaders, acts for the Governor and the Legislature in the disbursement of state funds. A Board resolution requiring all departments to submit block grant programs to the Joint Committee on Federal Funds for review and approval before the Controlling Board will release funds to the Department has greatly strengthened the powers of the Legislature in block grant process. A further development was the replacement of Senator Stanley Aronoff (R) Cincinnati on the Joint Committee by Senator Ben Skall (R) South Euclid, which gives the Greater Cleveland area two committee members but removes a major urban center from the deliberative process. However, Senator Aronoff's position on the Finance Committee is essential to final legislative process when the legislature finally considers block grant legislative proposals.

THE BUDGETARY PROCESS

The Governor

23A

Governor passes
Appropriations Bill

23B

Governor vetoes
line items

24

House and Senate
override vetoes²

25

Bill becomes law

26

Controlling Board acts
on behalf of legislature
when legislature
is not in session

² Any vetoes not overridden do not become law.

Source: Ralph Brody. The Legislative Process. c1978.

Major block grant proposals have been initiated by three Ohio political institutions: the Executive Departments in charge of Block Grants, the Legislature, and the County Commissioners Association of Ohio. Although the Ohio Citizen's Council has served as an interest group lobby for the metropolitan areas in human services grants, the Council has not actively introduced proposals. No urban coalition has been active in representing the interests of the major Ohio cities in the block grant process. The needs to each group represent radically different legislative programs as to who should receive block grant funds, how block grant funds should be allocated, and what controls should be placed on block grant funds at the local level by the state.

COUNTY COMMISSIONERS ASSOCIATION OF OHIO

The County Commissioners support distribution and control of block grants by Boards and County Commissioners. In Block Grant News No. 7, published by the County Commissioners Association of Ohio, the CCAO stated:

"The state: 1. Should make the board of county commissioners the primary recipient and local decision-making authority for allocation of block grant funds; and 2. Should not allocate funds directly to appointed agencies without prior review and approval by local elected officials." The CCAO has recommended direct pass-through of funds to counties with little or no review or control on the part of the state.

Counties are also supportive of equalization of funds on the county level rather than targeted or focused funding through competitive grant applications. The CCAO supported a proposal for Small Cities Community Development Block Grants including a guaranteed allocation to all cities and counties with a larger allocation going to communities who show a greater need through a distress factor formula.

DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT

The Small Cities Community Development Block Grant proposal came from the Department of Economic and Community Development of the State of Ohio. DECD is supporting equalization formulas and noncompetitive allocations.

THE JOINT COMMITTEE

The Joint Committee on Federal Funds of the Legislature adopted an amended DECD proposal for the Community Development Block Grant which changed the goal statement to stress the primary objective of creating a viable urban community with decent housing and suitable economic conditions for low and moderate income persons. The Joint Committee established an Evaluation Committee, including representatives of urban and small cities interests and Senator Ted Gray and

Representative Thomas Gilmartin of the Joint Committee, to report in Spring 1983 on the effectiveness of the CDBG.

LEGISLATURE

State legislation has been passed on the Social Services Block Grant and can be analyzed to measure legislative feelings on distribution, control, and recipients. Current law divided administration of funds among the Ohio Department of Public Welfare, the Department of Mental Health, and the Department of Mental Retardation/Developmental Disabilities. The Department of Public Welfare is required to allocate its share of funds to County Welfare Departments, and distribution of funds is made on the basis of (1) total population; (2) population with income and resources below 100% of the standard of need of each county; and (3) the county's history and ability to utilize the funds.

Legislative proposals now before the Joint Committee on Federal Funds from Representative Brown (R) Perrysburg, a member of the Joint Committee, would earmark funds for the Ohio Commission on Aging, ODPW, DMH, and DMR/DD but place direct administrative powers in the Ohio Department of Public Welfare. The Brown proposal revises the allocation formula for distributing funds to counties to be based on the number of people in the county with incomes below the poverty level as compared to the state, which would change the present standard of county need level and possibly reduce allocations to Cuyahoga County which has a greater need level than the state need level.

A Senate proposal by Senator Steven Maurer (D-Botkins) calls for allocation of funds to counties on a strictly per capita basis. These proposals show the conflicting interests between nonmetropolitan state areas and urban areas like Cleveland when competing for block grant funds.

URBAN AREAS

The former city-federal relationship provided for a direct voice from the city to the federal government on the distribution of funds; however, the new state-city relationship means competition over funds by political institutions--legislative interests, executive departments, county governments, rural and urban metropolitan governments, and specialpurpose governments--at the state level.

The issue is one of reduced funds for allocation. Many groups now benefitting from federal programs will find themselves with fewer funds than before; with no funds at all; and competing with other groups at the state house. As yet no urban coalition in Ohio has surfaced to present its point of view on distribution, allocation, recipients, and control to the state through the Joint Legislative Committee on Federal Funds or in the Executive Departments.

The U.S. Conference of Mayors in "The FY82 Budget and the Cities," stated, that, "Recently enacted federal budget cuts are imposing immense burdens on city budgets, resulting in massive layoffs, service reductions, tax increases, and postponement of needed capital investments." In Cleveland deferral of capital spending on the infrastructure was noted to be a major problem. It is estimated that \$700 million dollars would be needed to bring roads, sewers, water system, and bridges up to acceptable levels of service.

The Conference says local governments are dependent on federal resources for financing public services and capital improvements. There is a direct local-federal relationship which has sustained local dependence on federal aid over the last two decades. The end of a program like CETA's Public Service Employment program came as a crushing financial blow to Cleveland and other cities at a time of fiscal distress. If state and local economic growth do not produce enough tax revenue to replace drastically reduced federal aid then state and local government will be forced to raise taxes and cut services.

Cleveland's local economic problems are more likely to be structural problems resulting from changes in economic activity and population movement rather than economic cycles, and the structural problems must be addressed in order to counter the end of federal aid. The past two decades of federal resources were aimed at counter-cyclical aid, not at underlying economic problems; their demise will mean an exposure of the persistent structural problem that must be addressed by local effort for future economic prosperity.

Fiscal Burden on the States from the New Federalism

State	Additional annual state revenues required to maintain the 43 programs (in millions of \$)	State government tax collection (1981)* (in millions of \$)	Percent increase in state taxes required to maintain programs	State	Additional annual state revenues required to maintain the 43 programs (in millions of \$)	State government tax collection (1981)* (in millions of \$)	Percent increase in state taxes required to maintain programs
Alabama	\$219.7	\$2,148	10.24%	Nebraska	88.2	804	10.95
Alaska	72.5	2,317	3.10	Nevada	42.4	515	8.23
Arizona	133.2	1,788	7.45	New Hampshire	55.0	269	20.45
Arkansas	134.5	1,189	11.27	New Jersey	453.4	5,029	9.01
California	1,152.4	20,505	5.62	New Mexico	82.1	1,179	6.96
Colorado	156.4	1,446	10.79	New York	1,362.1	13,918	9.79
Connecticut	170.4	2,072	8.20	North Carolina	315.4	3,413	9.23
Delaware	46.3	555	8.30	North Dakota	46.7	451	10.42
D.C.	170.4	1,131	15.07	Ohio	583.2	5,241	11.10
Florida	503.2	5,314	9.46	Oklahoma	145.0	2,232	6.50
Georgia	294.4	3,020	9.74	Oregon	155.5	1,608	9.64
Hawaii	58.1	1,088	5.33	Pennsylvania	764.5	7,597	10.06
Idaho	57.2	537	10.60	Rhode Island	61.6	608	10.13
Illinois	683.7	7,323	9.34	South Carolina	174.3	1,826	9.55
Indiana	267.3	2,809	9.51	South Dakota	53.7	298	18.02
Iowa	155.5	1,836	8.47	Tennessee	247.7	1,958	12.65
Kansas	118.8	1,392	8.55	Texas	633.9	8,174	7.79
Kentucky	222.4	2,276	9.75	Utah	73.9	849	9.40
Louisiana	246.4	2,805	8.77	Vermont	42.4	294	14.42
Maine	95.7	674	14.74	Virginia	252.9	3,027	8.36
Maryland	247.3	2,956	8.36	Washington	219.3	3,126	7.02
Massachusetts	429.4	4,336	9.89	West Virginia	147.7	1,270	11.63
Michigan	518.1	6,177	8.38	Wisconsin	249.9	3,629	6.89
Minnesota	233.7	3,374	6.94	Wyoming	32.8	469	6.99
Mississippi	165.6	1,397	11.88				
Missouri	284.8	2,143	13.30				
Montana	57.7	467	12.40				
				All States	\$13.2 bil.	\$149.74 bil.	8.81

* State tax figures are from the Census Bureau, "State Government Tax Collection: 1981" (forthcoming). They do not include non-tax state revenues, such as highway tolls, fines, fees for state universities or parks use, and from sales of state property.

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(1982)



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block grant primer

SARAH S. AUSTIN, EXECUTIVE DIRECTOR

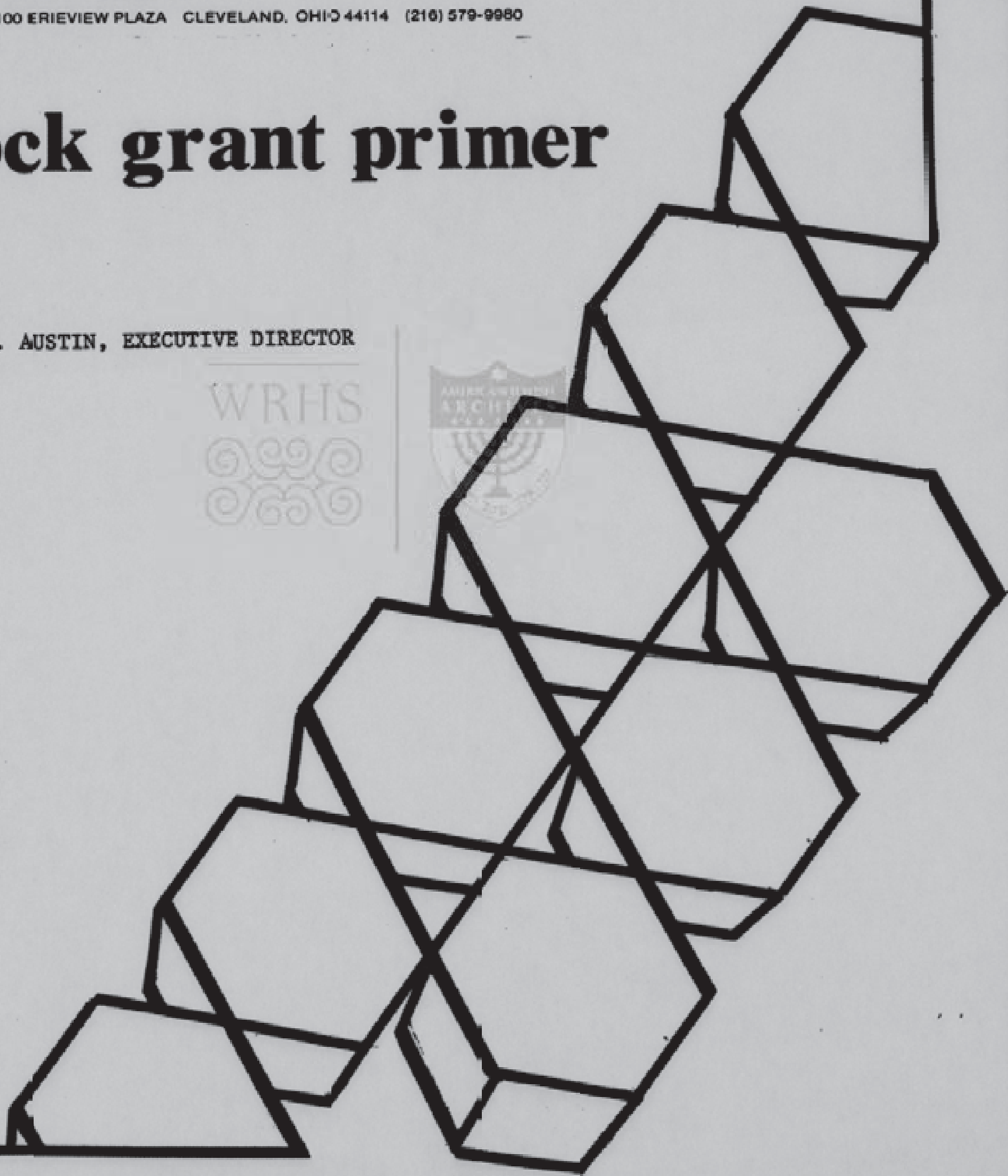


TABLE OF CONTENTS

I.	<u>Introduction</u>	1
II.	<u>The Reagan Administration Budget</u>	2
	The Block Grant Program	5
	Background of Federal Funding to State and Local Governments	5
	General and Special Revenue Sharing	6
III.	<u>The 1982 Federal Block Grants</u>	6
	Ohio State Control Over Block Grants	9
	Implementation of the Block Grant Program at the State and Local Levels	9
	The Budget Cycle	9
	Budget Years	9
	Ohio's Budget Process	11
IV.	<u>Issues of Ohio Budget Making</u>	14
	The Legislative Joint Committee on Federal Funds	15
	Ohio Block Grant Proposals	15
	County Commissioners Association of Ohio	16
	Department of Economic and Community Development	16
	The Joint Committee	16
	Legislature	17
	Urban Areas	18
V.	<u>Issues for the Greater Cleveland Area</u>	20
VI.	<u>Local Block Grant Contacts</u>	21
VII.	<u>Appendix</u>	22
	"GOP Mayor speaks against Reagan's budget cuts:" An Interview with Cleveland Mayor George Voinovich	23
VIII.	<u>Resources</u>	24

TABLES AND GRAPHS

Give and Take, Reagan-style	3
Spending on Social Programs	3
The President's Plan = Basic Program Goals	4
Chart of Major Features of Block Grants Created or Altered by Omnibus Budget Reconciliation Act of 1981 (PL 97-35) ...	7
The Budget and Social Programs = Costs and Proposed Cuts	8
Block Grant Resource Persons	10
The Budgetary Process	12, 13
Fiscal Burdens on the States from New Federalism	19

I. INTRODUCTION

This primer was put together at the request of the State Liaison Committee of the Greater Cleveland Roundtable. It attempts to provide for our members basic information on block grants.

The Omnibus Reconciliation Act of 1981 created nine block grants by consolidating 57 categorical programs. Many of the previous categorical programs involved a federal-city relationship. However, one of the significant features of the block grants is the designation of the state as primary grant recipient and decision-maker.

Most analysts believe the nine block grants represent the beginning of an important trend in shifting responsibilities from the federal to the state level. Not only will the states be responsible for administering more programs, they must do so with fewer federal dollars. They will be required to make decisions involving the allocation of scarce resources among competing interests; to pinpoint intergovernmental issues which need study; and to resolve conflicts.

It is difficult at this point to determine the exact funding levels because the block grant program is still operating under a continuing budget resolution from Congress which expires March 31, 1982, and must be renewed by that date if funding is to be continued. The problem is further exacerbated because Ohio projects a state fiscal deficit of over a billion dollars.

Even though we do not have the exact figure, it is important for the Roundtable as an urban coalition to discuss the issues and to explore ways to facilitate more effective state-local relations.

*Development of this document was made possible with the assistance of: Anita L. Morse, Professor of Law, Cleveland-Marshall College of Law; Judith A. Kaul, A/V Librarian, Cleveland-Marshall College of Law; and Hans C. Kuenzi, student, Cleveland-Marshall College of Law.

II. THE REAGAN ADMINISTRATION BUDGET

The 1981 Omnibus Budget Reconciliation Act radically changed the federal-state and federal-city relationship, reducing federal monetary assistance upon which most urban areas are dependent. The largest change was the consolidation of 57 categorical grants into block grants, but other statutory changes make further inroads into the already deteriorating fiscal positions of cities and states. Important changes include:

- a reduction of food stamp benefits which will increase local general assistance outlays.
- a reduction of federal Medicaid payments to the states and of medicare reimbursements to individuals or payees.
- a reduction of extended unemployment benefits and trade adjustment assistance benefits to laid-off workers and to economically distressed businesses.
- a reduction of funding for subsidized housing under Urban Development Action Grants.
- An end to rehabilitation loans used for community development programs.
- an increase in interest rates on Small Business Administration Loans.

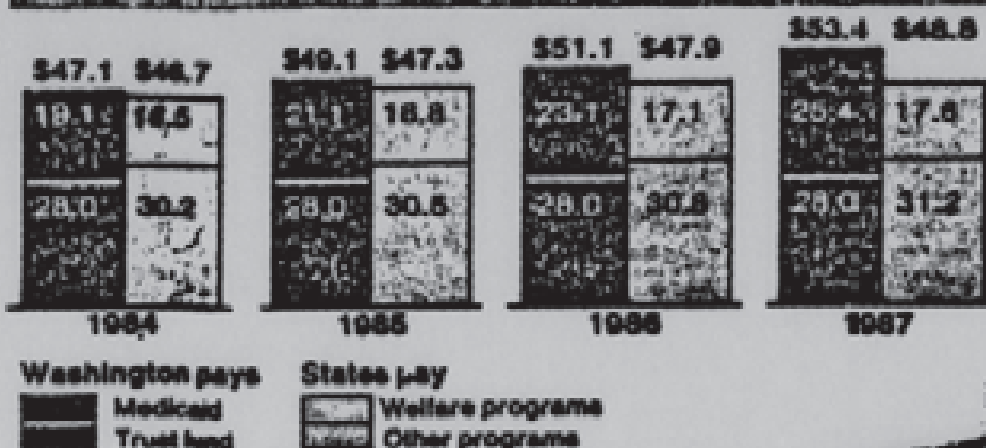
Even more sweeping changes have been proposed for FY84. The Administration wants to federalize Medicaid and turn full responsibility for Aid to Families With Dependent Children and Food Stamps to the States. A four-year trust fund based on federal excise taxes will initiate the program; however, in 1988, full responsibility for both programs and tax effort maintenance will be placed on the states.

The reality of this program is a disaster for the cities of hard-pressed Northeastern and Middlewestern States, according to governors who have commented on the proposal. In urban areas like Cleveland service costs are the highest and yet revenues have been chronically low for several years. Ohio's cities and counties are raising taxes, increasing user fees, and deferring capital expenditures as federal funds are reduced, out of sheer necessity to make ends meet. But even with increased taxes, virtually every service level has been drastically reduced.

Give and take, Reagan-style

President Reagan wants states to assume all costs of food stamps, aid to families with dependent children and about 40 other federally funded programs. In return, Washington would pick up the full tab for Medicaid and establish a temporary trust fund to help states shoulder their new burdens. Administration projections, charted below, indicate the states would come out ahead through September 1989, but many challenge the economic assumptions behind these figures.

(Fiscal years, in billions of dollars)



Source: The White House

Trust-fund sources

Total: \$28 billion annually
Tax receipts that would be earmarked to help states pay for programs.
(in billions of dollars)

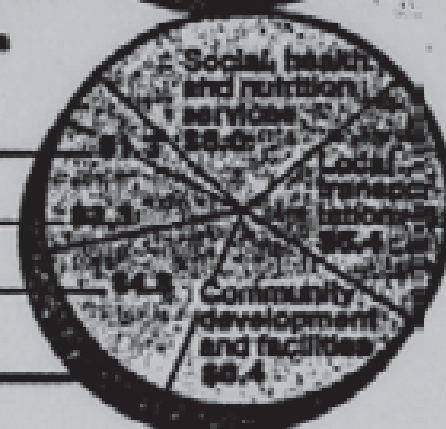
Gasoline
Tobacco
Alcohol
Telephone



States' responsibilities

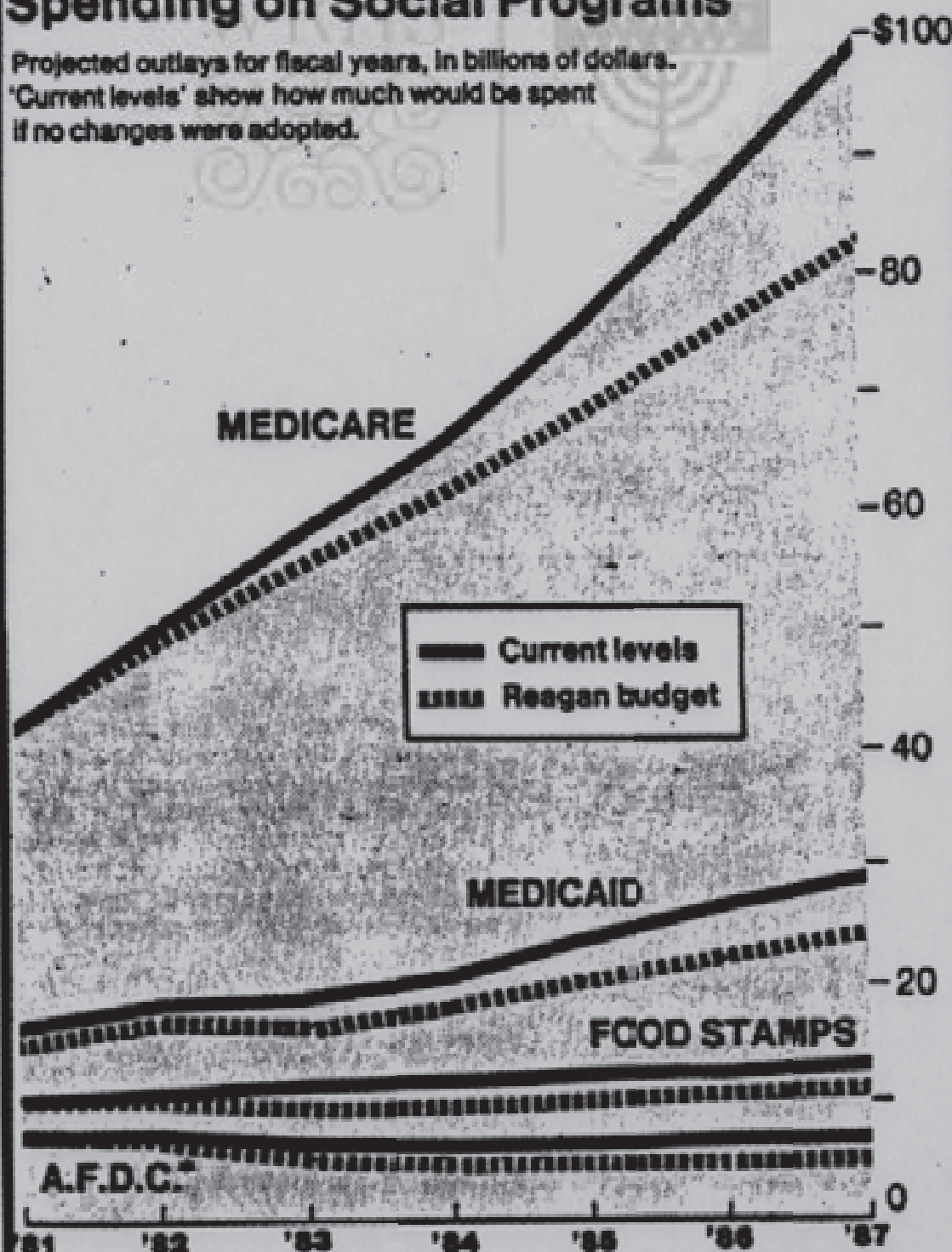
Total: \$30.2 billion in 1984
Kinds and costs of programs, besides welfare, that would be shifted out of Washington. (in billions of dollars)

Low-income home energy assistance
Education and training
Revenue sharing and occupational safety assistance



Spending on Social Programs

Projected outlays for fiscal years, in billions of dollars.
'Current levels' show how much would be spent if no changes were adopted.



Source: Office of Management and Budget

THE PRESIDENT'S PLAN

BASIC PROGRAM GOALS

The President and his advisors have been forthright in saying that they hope to remove the Federal government entirely from authority over and financial responsibility for human services. A clear strategy to accomplish this objective is now emerging as reflected in the chart and timetable below.

<u>Timetable</u>	<u>Block Grants</u>	<u>Income Maintenance</u>	<u>Funding</u>	<u>Other</u>
FY 1982	57 programs consolidated into 9 block grants with authority transferred to states.	Eligibility narrowed; services diminished; tough administrative requirements.	25% reduction in dollars;	Deregulation of new and some existing programs. Abolition of some reporting and audit requirements. Staffing reductions in Federal agencies. Curtailment of research and professional development.
FY 1983	Several more programs consolidated into block grants.	Further reductions in eligibility and services. Even tougher administrative requirements.	Further reduction in dollars.	Further deregulation. Further reductions in Federal staff. Further curtailment of research and professional development.
FY 1984	Trust Fund of \$28 billion which states may use to buy Federal programs, take them over, or use for other purposes.	Federal government assumes Medicaid. States take over AFDC and Food Stamps.	Further reductions in dollars.	Close to total deregulation. Virtually no Federal staff help or monitoring.
FY 1987	Most federal administration of service programs and block grants ends.		Begin phase out of trust funds.	
FY 1991			Federal funding of services ends.	
Speculative	Local education and handicapped programs end? Programs for the aged altered?	Social Security changes. Ending of Medicaid/Medicare?		Federal role in research further curtailed?

Source: Jule M. Sugarman, President Reagan's 1982 Proposals. (White Paper No. IV for Citizens and Government Officials.) Human Services Information Center.

THE BLOCK GRANT PROGRAM

- Block Grants:** The Block Grant occupies a middleground position between Categorical Aid and General Revenue Sharing. A Block Grant is a program where funds are provided chiefly to general purpose governmental units in accordance with a statutory formula for use in a broad functional area largely at the recipient's discretion.
- General Revenue Sharing:** Automatic distribution of funds on a statutory formula basis to general purpose units of governments with little or no restriction on how the money is to be spent.
- Categorical Grants:** The primary purpose of a federal-grant-in aid or categorical grant is to provide the state with financial support to carry out a program's objectives. These grants are usually distributed by federal agencies under strict regulation and oversight for specifically targeted purposes.

<u>Type of Grant</u>	<u>Recipient Discretion</u>	<u>Program Scope</u>	<u>Funding Criteria</u>
Categorical Project	Lowest	Narrow	Federal Administrative Review
Categorical Formula	Low	Narrow	Legislative Formula
Block	Medium	Broad, Functional area	Legislative Formula
General Revenue Sharing	High	Broadest governmental operations	Legislative Formula

BACKGROUND OF FEDERAL FUNDING TO STATE AND LOCAL GOVERNMENTS

Block grants first emerged in the Nixon administration to centralize federal administrative authority under the Executive Office of the President. The plan was to diminish federal agency responsibility over domestic programs through both centralization of fiscal control under a new Office of Management and Budget and decentralization of programs. State and local governmental institutions were to be

strengthened in setting priorities and in making decisions considered to be rightfully theirs.

Block grants were intended to simplify and coordinate under elected officials the numerous grant-in-aid programs launched by administrations from the New Deal to the Great Society. A myriad of special purpose districts, community programs--independent power centers--had been created that circumvented local and state government. OMB Circular A-95 procedure for project review which set up regional and state clearinghouses remains as the most noteworthy accomplishment of the Nixon administration in providing federal coordination. However, whether state-local coordination in Ohio was effected is doubtful; the Ohio Joint Committee on Federal Funds of the Ohio Legislature reported that little is known as to who now holds federal funds and will be competing for state and local replacement funds.

GENERAL AND SPECIAL REVENUE SHARING

General Revenue Sharing eliminated many federally-mandated programs and replaced them with funds that could be used for general purposes by the state. Unlike grants-in-aid or consolidated block grants, general revenue sharing is a totally "no strings" program. It removes conditions, such as citizen participation and focused programs, associated with categorical grants, and placed power over funds in established political institutions. It was an answer to two growing problems of the 1960's: first, the intense fiscal pressure on state and local government brought on by increased demand for urban services; second, the lack of income-elastic revenue sources in the states. There was a fiscal mismatch between state and federal resources and needs. As conceived the program divided federal funds into general and special revenue sharing; however, only two Special Revenue Sharing programs, CETA and Housing and Community Development passed, and General Revenue Sharing formulas maintained federal controls through limiting the duration of appropriations rather than establishing a continuing trust fund.

Revenue sharing formulas had the effect of maintaining multiple local government structures by guaranteeing a minimum level of funding to all governmental units. In Ohio, a Home Rule state, there are over 3,000 local governments competing for funds.

III. THE 1982 FEDERAL BLOCK GRANTS

The New Federalism is more than block grants and revenue sharing; its goal is to reduce the size of federal government. This means reducing the federal budget, cutting programs, eliminating federal regulations, and returning power and resources to states and local governments. To date, however, these goals have not been fully achieved.

CHART OF MAJOR FEATURES OF BLOCK GRANTS CREATED OR ALTERED BY OMNIBUS BUDGET RECONCILIATION ACT OF 1981 (PL 97-35)

	ALCOHOL, DRUG ABUSE AND MENTAL HEALTH	COMMUNITY DEVELOPMENT SUPPORT ASSISTANCE (SMALL CITIES)	COMMUNITY SERVICES	ELEMENTARY AND SECONDARY EDUCATION	LOW- INCOME HOME ENERGY ASSISTANCE	MATERNAL AND CHILD HEALTH SERVICES	PREVENTIVE HEALTH AND HEALTH SERVICES	PRIMARY CARE	SOCIAL SERVICES
FY 1981 FUNDING FOR OHIO AS CATEGORICAL PROGRAMS (IN MILLIONS OF DOLLARS)	37.5	NOT REPORTED	15.2	NOT REPORTED	93.7	17.1	5.8	13.35	145.95
FY 1982 FUNDING FOR OHIO AS BLOCK GRANTS (IN MILLIONS OF DOLLARS)	22.4	44.04	13.8	FUNDS RECEIVED WILL BE AS CATEGORICAL GRANTS (BLOCK GRANTS NOT EFFECTIVE UNTIL FY 1983)	81.9	12.2	3.8	10.2 WILL BE RECEIVED AS CATEGORICAL GRANTS (BLOCK GRANTS NOT EFFECTIVE UNTIL FY 1983)	113.7
LOSS (IN MILLIONS OF DOLLARS)	(15.1) -40.0%	NOT REPORTED	(1.4) -9.2%	NOT REPORTED	(3.8) -4.4%	(4.9) -28.6%	(2.0) -34%	(3.2) -24%	(32.3) -22%
NON-FEDERAL MATCHING	NONE	10% BY STATE IF IT ELECTS TO ADMINISTER PAYMENT	NONE	NONE	NONE	STATE MUST SPEND \$3 OF STATE FUNDS FOR EACH \$4 OF FEDERAL BLOCK GRANTS	NONE	20% STATE MATCH REQUIRED IN FY 1983; 33 1/3% IN FY 1984	NONE
USE OF FUNDS	STATE MUST ALLOCATE FUNDS BETWEEN MENTAL HEALTH AND SUBSTANCE ABUSE SERVICES IN SAME PROPORTION AS FEDERAL FUNDS WERE USED FOR BLOCK GRANT; PERMITS TO 100% OF STATE ALLOTMENT IN FY 1982, 75% IN FY 1983, 85% IN FY 1984 OF SUBSTANCE ABUSE FUNDS, AT LEAST 35% MUST BE USED FOR ALCOHOL ABUSE, 35% FOR DRUG ABUSE, AND 30% FOR PREVENTION AND EARLY INTERVENTION FOR FY 1981, 1982, AND 1983, STATES MUST FUND EACH COMMUNITY MENTAL HEALTH CENTER FEDERALLY FUNDED IN 1980	SMALL CITIES PORTION OF GRANT MUST BE USED BY LOCAL GOVERNMENTS WITHIN OF METROPOLITAN AREAS, WITH POPULATIONS LESS THAN 250,000 FOR COMMUNITY DEVELOPMENT ACTIVITIES TO ASSIST LOW AND MODERATE INCOME FAMILIES, AND IN THE PRE- VENTION OF, ELIMINATION OF, AND TREATMENT OF, OTHER URGENT COMMUNITY DEVELOP- MENT NEEDS	10% OF ALLOTMENT MUST BE DISTRIBUTED TO LOCAL GOVERNMENTS OR TO COMMU- NITY ORGANIZATIONS WITH BOARD OF DIRECTORS MADE UP OF 1/3 PUBLIC OFFICIALS, 1/3 REPRESENTATIVES OF THE COMMUNITY, AND 1/3 REPRESENTATIVES OF OTHER PUBLIC, COMMUNITY OR GOVERNMENTAL ORGANIZATIONS STATE MAY CARRY OVER ALL OR PART OF ONE YEAR'S ALLOTMENT TO THE FOLLOWING YEAR	STATE MUST PAY THROUGH A MINIMUM OF 50% OF BLOCK GRANT TO LOCAL EDUCATIONAL AGENCIES BASED ON FACTORS WHICH INCLUDE ENROLLMENT AND THE NUMBER OF STUDENTS WITH INCOME BELOW AVERAGE EDUCATIONAL COSTS	STATE IS TO PROVIDE BENEFITS ONLY TO RECIPIENTS OF SSI, AFDC, FOOD STAMPS, VETERANS' PENSIONS OR TO HOUSEHOLDS WITH INCOME BELOW 150% OF POVERTY LEVEL OR 60% OF STATE MEDIAN INCOME. HIGHEST LEVEL OF BENEFITS MUST BE PROVIDED TO FAMILIES WITH THE LOWEST INCOMES AND HIGHEST ENERGY COSTS STATES MAY CARRY OVER 25% OF FUNDS FROM ONE FISCAL YEAR TO THE NEXT. OTHER UNLAWFUL FUNDS ARE REALLOCATED TO OTHER COSTS. AT LEAST 65% OF FUNDS MUST BE USED TO AID LOW INCOME HOUSEHOLDS IN MEETING HOME ENERGY COSTS; UP TO 15% MAY BE USED FOR WORKING CAPITAL	STATE MUST USE A "TWO- STAGE" METHOD OF FUNDS TO PROVIDE HEALTH SERVICES TO WOMEN AND CHILDREN, AND A "REASONABLE" PRO- portion TO ADDRESS INFANT MORTALITY, SEXUAL TRANSMIS- SION DISEASES AND HANDICAPPING CONDITIONS, INCLUDING MATERNITY CARE, CHILD IMMUNIZATION, AND ASSESSMENTS OF, AND SERVICES TO LOW INCOME CHILDREN. FUNDS MAY BE USED FOR PLANNING, ADMINISTRATION, EDUCATION, PRE- VENTION AND EVALUATION OF PRO- JECTS OR TECHNICAL ASSISTANCE FROM THE FEDERAL GOVERNMENT MAY ALSO FUNDS TO BE SPENDING FOR PERSONNEL FOR HOME CARE AND RELATED SERVICES TO WOMEN AND CHILDREN, SUCH AS NUTRITION AND CHILD HEALTH AND CHILDREN'S SERVICES, FOR HEALTH CARE TESTING, COUNSELING AND EDUCATION AND COMPREHENSIVE HOME VISITING PROGRAMS AND TELEPHONE COUNSELING	FOR FY 1982, STATE MUST FUND AT LEAST 10% OF FUNDS EXPENSED FOR MEDICAL SERVICES FUNDED IN FY 1981; MUST FUND HYPERTENSION PROGRAMS AT 75% OF FEDERAL FUNDING LEVEL IN FY 1981, IN 1983 AT 70%, AND IN 1984 AT 60%.	IN FY 1983, ALL EXPENSES LEGALLY PERMITTED COMMUNITY HEALTH CENTERS (CHCs), IN 1982 MUST RECEIVE GRANTS IN AMOUNTS NOT LESS THAN THAT RECEIVED IN 1982. NO GUARANTEE OF RETURNING IN FY 1984, BUT STATE MUST ASSURE MEDICALLY UNDERSERVED POPULATIONS SERVED BY EXISTING CHCs WILL CONTINUE TO RECEIVE CARE STATE MUST NOT DISRUPT EXISTING PROVIDER-PATIENT RELATIONSHIP TO THE EXTENT POSSIBLE.	BASIC GRANTS IN FISCAL YEAR RECEIVED WITHOUT IDENTIFY- ING RECIPIENTS FOR FUNDING OF MEDICAL SERVICES, FEDERAL GRANT AND CHILD WELFARE SERVICES; FUNDING MAY BE USED FOR AT LEAST 75% OF FY 1981 LEVEL. REMAINS REQUIREMENTS THAT AT LEAST 50% OF FUNDS BE USED FOR WOMEN RECIPIENTS AND FAMILIES WITH INCOME BELOW 65% OF STATE'S MEDIAN INCOME.
LEAD AGENCY	DEPARTMENT OF MENTAL HEALTH	ADMINISTRATION, UNDER WHICH ONE MAY ASSUME RESPONSIBILITY FOR THE "SMALL CITIES" PORTION OF THE GRANT, AND FOR THE PORTION OF EDUCATION AND COMMUNITY DEVELOPMENT WILL BE OHIO'S LEAD AGENCY	DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT	DEPARTMENT OF EDUCATION AND COMMUNITY DEVELOPMENT	DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT	DEPARTMENT OF HEALTH	DEPARTMENT OF HEALTH	DEPARTMENT OF HEALTH & LIVELY CARE	DEPARTMENT OF PUBLIC WELFARE
APPLICATION AND REPORTING	THE SECRETARY OF HHS DETER- MINES DATE OF A FISCAL YEAR STATE MUST FILE REPORT ON INTEREST USE AND METHOD OF FUNDING FUNDS.	THE SECRETARY MUST CLARIFY THE STATE UNDERSTANDING COMMUNITY PLANNING; PROVIDE TECHNICAL ASSISTANCE TO LOCAL GOVERNMENTS; AND CONSULT WITH LOCAL ELECTED OFFICIALS. STATE MUST SUBMIT A STATE- MENT ON THE RECEIPT AND DISTRIBUTION OF FUNDS. PERFORMANCE REPORT MUST BE SUBMITTED AT A TIME DETER- MINED BY SECRETARY OF HHS.	THE STATE MUST SUBMIT AN APPLICATION AND A PLAN EACH YEAR TO THE SECRETARY OF HHS. IN THE APPLICATION, STATE MUST MAKE TO USE THE FUNDS TO PROVIDE SERVICES TO THE LOWEST INCOME FAMILIES	STATE MUST SUBMIT AN APPLICATION AND A PLAN EACH YEAR TO THE SECRETARY OF EDUCATION, INCLUDING PLANNED ALLOCATION OF FUNDS, ANNUAL FUNDING, BASIC SCHOOL, EDUCATIONAL, RESEARCH AND SUPPORT SERVICES; AND GENERAL PROJECTS. LOCAL EDU- CATIONAL AGENCIES MUST FILE A 3 YEAR PLAN WITH STATE EDUCATION AGENCY	CLERICAL, MUST APPLY TO SECRETARY OF HHS, CERTIFYING THAT FUNDS WILL BE USED FOR CORRELATIVE ACTIVITIES WITH FEDERAL, STATE AND LOCAL PROGRAMS; AND COORDINATION IN RESEARCH, ADMINISTRATION AND SUPPORT SERVICES. MUST FILE ANNUAL REPORT WITH SECRETARY OF HHS	STATE MUST FILE REPORT TO SECRETARY OF HHS ON INTEREST USE AND DISTRIBUTION OF FUNDS, WITH CERTIFICATION THAT FUNDS WERE USED FOR RESEARCH AND LOCAL AGENCY FUNDS FOR STATE OF OHIO MUST	SECRETARY OF HHS DETERMINES THE PLAN AND DATE OF APPLI- CATION, WHICH MUST INCLUDE REPORT ON INTEREST USE AND METHOD OF DISTRIBUTION OF FUNDS, IDENTIFYING POPULATION, AREAS AND LOCALITIES WITH A NEED FOR SERVICE	STATE MUST APPLY TO THE SECRETARY OF HHS AND FILE ITS APPLICATION. APPLICATION MUST INCLUDE IDENTIFYING POPULATION, AREAS FOR COUNSELING FUNDED CHCs, PLUS AN ANNUAL REPORT PERFORMING WITH CHCs FUNDS IN USE OR REDUCED BY STATE STATE MUST PREPARE A RE- PORT OF THE INTEREST USE AND DISTRIBUTION OF BLOCK GRANTS OR MATERNAL FUNDS.	STATE MUST SUBMIT REPORT ON HOW FUNDS ARE TO BE USED, INCLUDING ACTIVITIES TO BE FUNDED AND CHARACTERISTICS OF PEOPLE TO BE SERVED, TO THE SECRETARY OF HHS.

The Budget and Social Programs: Costs and Proposed Cuts

Rounded figures are in billions of dollars for each fiscal year.
The 1981 figures are actual outlays; the other figures are projected spending.

The cost								The proposed '83 cuts	
FOOD STAMPS*	'81	'82	'83	'84	'85	'86	'87	PROGRAMS FOR THE POOR	
Without Reagan cuts	\$10.3	\$10.6	\$11.8	\$12.1	\$12.6	\$12.8	\$13.1	Child nutrition.....	9.4%
With Reagan cuts	10.3	10.3	9.8	9.7	10.0	10.2	10.4	Medicaid.....	10.4
WELFARE†								Welfare†.....	17.5
Without Reagan cuts	8.1	7.8	8.0	8.6	8.7	8.8	8.9	Social services block grant.....	17.8
With Reagan cuts	8.1	7.6	6.5	5.5	5.8	5.6	5.7	Education aid.....	17.9
MEDICAID								Food stamps.....	19.1
Without Reagan cuts	18.8	18.1	19.0	21.0	24.2	26.8	29.2	Low-income	
With Reagan cuts	18.4	17.8	17.0	18.6	20.4	22.1	24.3	energy assistance.....	25.8
MEDICARE								Training, employment.....	46.2
Without Reagan cuts	42.6	49.9	57.8	66.3	76.2	87.0	99.1	Other programs	
With Reagan cuts	42.5	49.6	55.4	61.2	68.4	75.6	89.1	Social Security.....	0%
								Veterans disability	
								compensation.....	1.4
								Medicare.....	4.3
								Civil Service retirement.....	2.2
								Guaranteed student loans.....	23.0

* Figures do not include Puerto Rico † Aid to Families with Dependent Children

Source: Office of Management and Budget

The 1982 Block Grants give the states a strong role in decision making about allocations and reduces the local role in the federal grant system. Local government officials, business leaders, and community leaders must now direct their efforts to influence plans for Ohio allocations at the state legislative and executive departments level.

OHIO STATE CONTROL OVER BLOCK GRANTS

In Ohio, control over block grant disposition is divided between the legislative and the executive branches of state government. The Joint Legislative Committee on Federal Funds, chaired by Representative Francine Panehal of Cleveland, was established by both houses of the legislature to monitor and review distribution of and recommend programs for federal monies and state matching funds. The Governor's Executive Order accepting eight of the nine block grants, primary health excepted, established lead executive agencies to act on behalf of the Governor in dealing with federal agencies and with local government in allocating block grant funds. Relationships between the Joint Committee and the lead executive agencies are still unclear. No veto power was granted to the Joint Committee; however, it is assuming an aggressive role in monitoring agency program proposals and in providing a forum for public interest lobbying.

IMPLEMENTATION OF THE BLOCK GRANT PROGRAM

AT THE STATE AND LOCAL LEVELS

THE BUDGET CYCLE

Federal, state and local governments operate on different fiscal years. The differences in funding years, combined with multi-year commitments under some federal grants, will make program planning more difficult. At present no complete base of information exists on the state of Ohio level as to who holds federal grants and how great the loss will be in terms of services shifted to state and local funding.

BUDGET YEARS	
--Federal Government	October 1 to September 30
--State of Ohio	July 1 to June 30
--City of Cleveland	January 1 to December 31
--Cuyahoga County	January 1 to December 31

BLOCK GRANT RESOURCE PERSONS

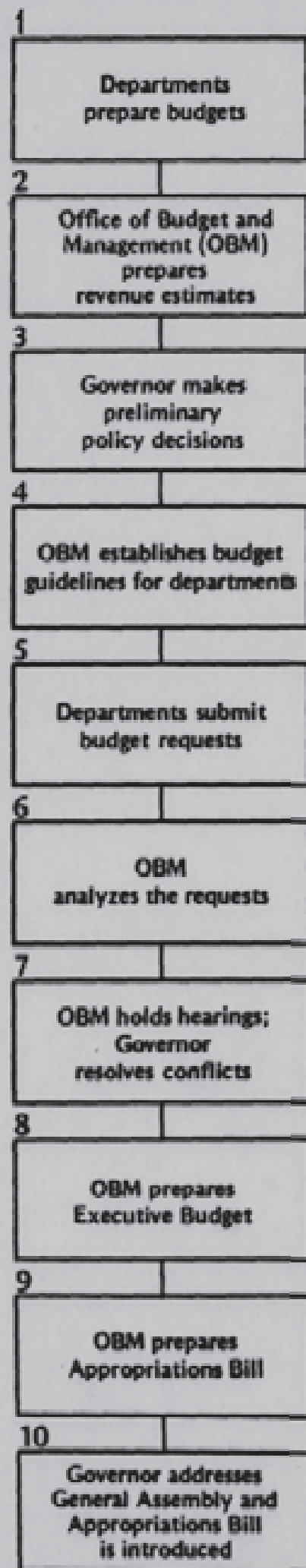
ALCOHOL, DRUG ABUSE, MENTAL HEALTH	SOCIAL SERVICES	COMMUNITY SERVICES	PREVENTIVE HEALTH
<p>CONTACT:</p> <p>Jim Myers, Coordinator Block Grants Transition Team Ohio Dept. of Mental Health 30 East Broad Street Columbus, Ohio 43215 Phone: 466-7370</p> <p>Paul Lanham, Chief Bureau of Alcoholism Ohio Dept. of Health 246 N. High Street Columbus, Ohio 43215 Phone: 466-3443</p>	<p>CONTACT:</p> <p>Jerry Collamore, Director Public Information Office -ODPW 30 E. Broad Street (32nd floor) Columbus, Ohio 43215 Phone: 466-6630</p> <p>Mary Turney, Deputy Director Program Development -ODPW 30 E. Broad Street (32nd floor) Columbus, Ohio 43215 Phone: 466-6124</p> <p>Martin Williams, Title XX Coordinator 30 E. Broad Street (33rd floor) Phone: 466-1213</p>	<p>CONTACT:</p> <p>Robert Freedman, Deputy Director, Com. Dev. 30 East Broad St. (floor 24) Columbus, Ohio 43215 Phone: 466-5863</p> <p>Tom Williams, Administrator DECD 30 East Broad St. (floor 24) Columbus, Ohio 43215 Phone: 466-5863</p> <p>D.G. Russell Community Services Office of Human Services P.O. Box 1001 24th Floor Columbus, Ohio 43216 Phone: 466-6014</p>	<p>CONTACT:</p> <p>Jesse Drake, Chief Administrative Services 246 N. High Street Columbus, Ohio 43216 Phone: 466-4237</p> <p>Dr. Thomas Halpin, Div. of Communicable Diseases 246 N. High Street Columbus, Ohio 43216 Phone: 466-4643</p>
PRIMARY HEALTH CARE			
<p>CONTACT:</p> <p>Jesse Drake, Chief Administrative Services Ohio Dept. of Health 246 N. High Street Columbus, Ohio 43215 Phone: 466-4237</p>	HOME ENERGY ASSISTANCE		
	<p>CONTACT:</p> <p>Steve Gladman, Director HEAP Program, DECD P.O. Box 1001 Columbus, Ohio 43216 Phone: 466-6207</p>	COMMUNITY DEVELOPMENT	
EDUCATION		<p>CONTACT:</p> <p>Robert Freedman, Deputy Director, Com. Dev. 30 East Broad St. (floor 24) Columbus, Ohio 43215 Phone: 466-5863</p> <p>Jane Schoedinger Local Government Services DECD P.O. Box 1001 Columbus, Ohio 43216 Phone: 466-2285</p>	
<p>CONTACT:</p> <p>Jim Miller Division of Federal Assistance Dept. of Education 65 S. Front Street Columbus, Ohio 43215 Phone: 466-4161</p>	MATERNAL & CHILD HEALTH		
	<p>CONTACT:</p> <p>Dr. Jim Quilty, Chief Division Maternal & Child Health 246 N. High Street P.O. Box 118 Columbus, Ohio 43216 Phone: 466-3263</p> <p>Dr. Thomas Gardner, Assistant Director, ODM 246 N. High Street P.O. Box 118 Columbus, Ohio 43216 Phone: 466-3263</p>		

OHIO'S BUDGET PROCESS

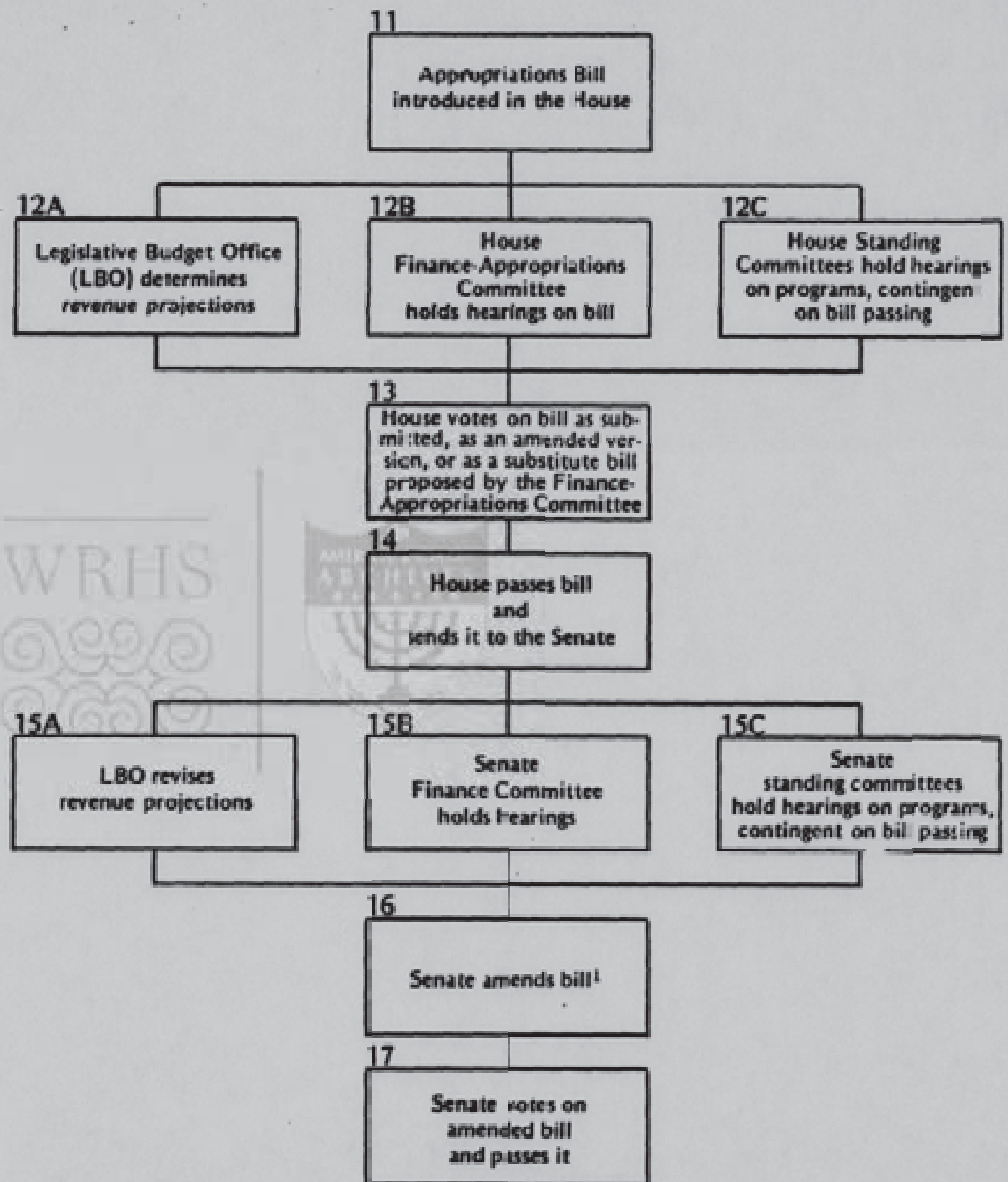
1. Executive agencies prepare budget analyses and budget requests for submission to the Office of Budget and Management in the Governor's Office from January to August, 1982.
2. The Office of Budget and Management holds budget hearings in September, 1982.
3. The Governor submits the Executive Budget to the General Assembly of the State Legislature within four weeks of the convening of the General Assembly. In the case of a new Governor, as in 1983, by March 15, 1983.
4. The Legislative Budget Office of the General Assembly prepares detailed revenue estimates for the Legislature.
5. The House of Representatives Finance Committee, where budget bills are initiated, holds hearings.
6. The Budget Bill passed by the House is sent to the Senate, where the Senate Finance Committee holds hearings.
7. After the General Assembly passes the budget bill, it is sent to the Governor for action.
8. Ohio's Constitution provides that no appropriation shall be made for longer than two years.

THE BUDGETARY PROCESS OF OHIO

The Administration



The Legislature

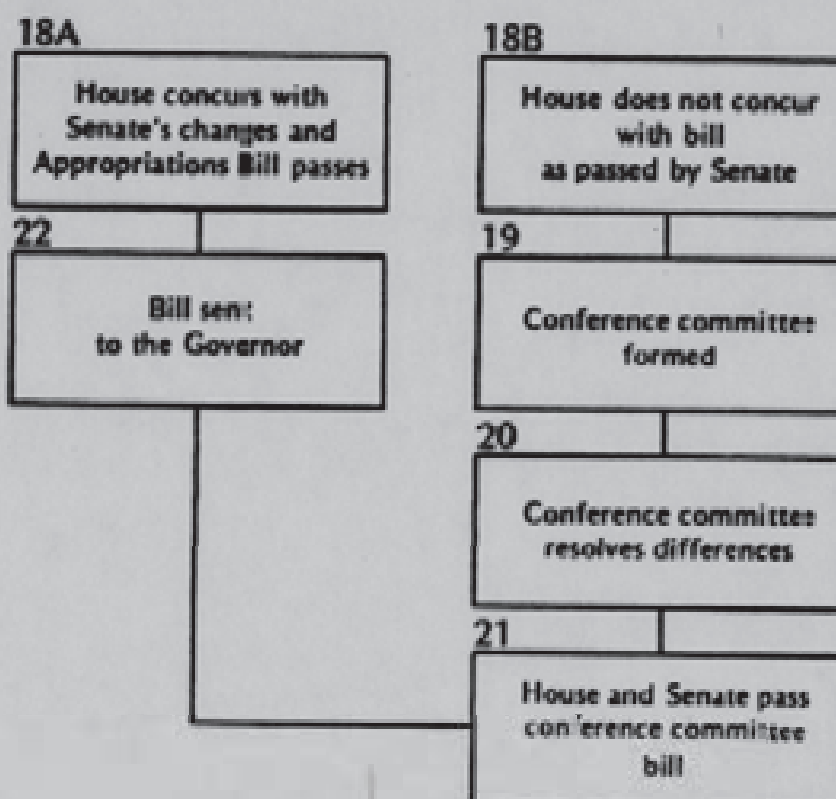


¹ The Senate does not have to amend the bill, but it usually does.

Source: Ralph Brody. The Legislative Process. c1973.

THE BUDGETARY PROCESS
OF OHIO

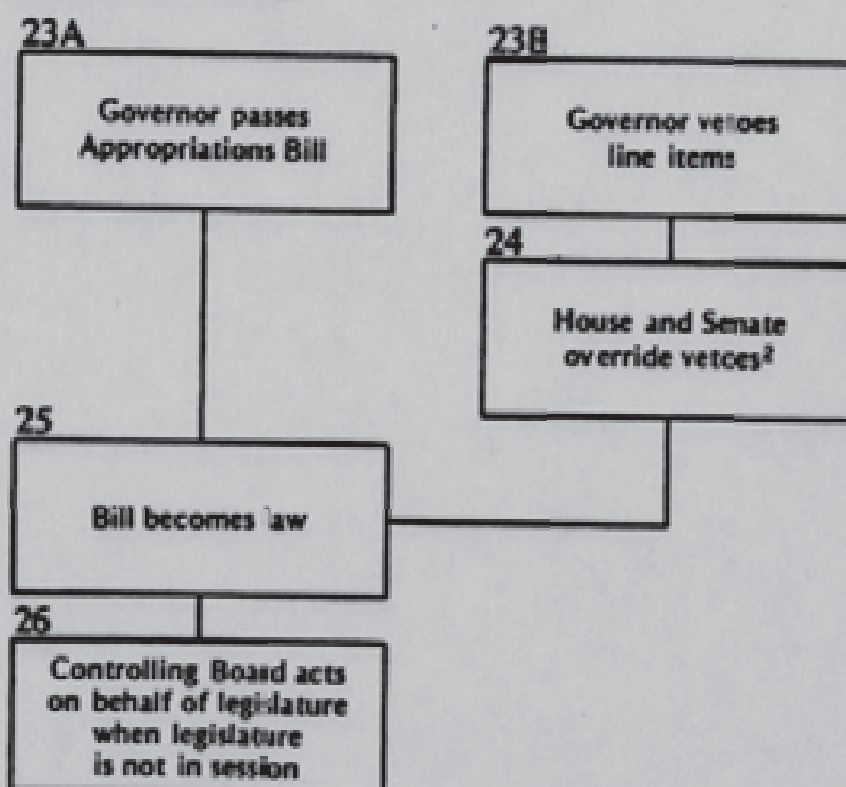
House/Senate Concurrence



Source: Ralph Brody. The Legislative Process. c1978.

THE BUDGETARY PROCESS
OF OHIO

The Governor



² Any vetoes not overridden do not become law.

Source: Ralph Brody. The Legislative Process. c1978.

IV. ISSUES OF OHIO BUDGET MAKING

A survey of the National Conference of State Legislatures reported in the New York Times by economist Leonard Silk said that twelve states, including Ohio, are forecasting deficits for the current fiscal year. Ohio is struggling to balance its budget, in the face of reduced federal funds, by raising taxes and cutting expenditures, thus further eroding the incomes and employment of its residents. Budget cuts in Ohio for FY82 and FY83 will continue as tax revenues continue to decline. About 61% of revenues, where most expenditures for health, education, welfare, and human services included in block grants come from, are from Ohio's declining general revenue fund. The remainder of Ohio's revenues from licenses, fees, sales, and charges for goods and services are earmarked by statutory or Constitutional provisions for specific purposes--highways, for example--and cannot be used to cover shortfalls in general revenues available for state and local service expenditures.

Ohio's legislative and executive branches traditionally equalize the fiscal pie among its 99 counties rather than targeting funds. The County Commissioners Association of Ohio strongly supports formula allocations of block grants which would equalize funds rather than competitive grant applications which would target funds. Competition through grant application allows targeted funding to reach areas like Cleveland with greater need whereas formula distribution tends to equalize funds among government units. Another means to equate funds to need is in the definition of the formula.

Ohio and the Reagan Administration have proposed changing the formulas to the detriment of urban areas. The difference between formulas can drastically reduce funds to cities. For example the Reagan Administration proposes to eliminate age of housing as a part of the Community Development Block Grant formula, which would critically hurt Cleveland, where housing is primarily pre-1940 stock and the present formula has given Cleveland more funds for housing.

In Ohio, Representative Brown of Perrysburg, a member of the Joint Committee on Federal Funds, has submitted legislation on the Social Services Block Grant that would change the current distribution formula. The existing formula is based on each county's separate income and poverty level. The proposed state-based formula would average income and poverty level on a statewide basis. Thus, Cuyahoga County stands to lose funding under the proposed legislation that has been introduced by Representative Brown.

The Ohio Legislature, in both considering formula distribution which decreases the chances for targeted programs and changing the formulas to equalize distribution on a statewide basis rather than on a county or urban need basis, is contemplating a program that will further shrink aid to Cleveland.

THE LEGISLATIVE JOINT COMMITTEE ON FEDERAL FUNDS

The Legislative Joint Committee on Federal Funds recommended that Ohio assume responsibility for seven of the nine block grants on October 1, 1981, and the remainder of the grants when federal regulations and fundings levels are defined. The Committee's authority over block grants was strengthened by the Ohio State Controlling Board, composed of the Director of the Office of Budget and Management and House and Senate leaders which acts for the Governor and the Legislature in the disbursement of state funds. A Board resolution requiring all departments to submit block grant programs to the Joint Committee on Federal Funds for review and approval before the Controlling Board will release funds to the Department has greatly strengthened the powers of the Legislature in block grant process. A further development was the replacement of Senator Stanley Aronoff (R) Cincinnati on the Joint Committee by Senator Ben Skall (R) South Euclid, which gives the Greater Cleveland area two committee members but removes a major urban center from the deliberative process. However, Senator Aronoff's position on the Finance Committee is essential to final legislative process when the legislature finally considers block grant legislative proposals.

THE LEGISLATIVE JOINT COMMITTEE ON FEDERAL FUNDS

COMMITTEE CHAIRMAN: Representative Francine Panehal (D), Cleveland

SENATE MEMBERS: Ben Skall (R), South Euclid; William F. Bowen (D), Cincinnati; Theodore Gray (R), Columbus; Marigene Valiquette (D), Toledo; Donald Lukens (R), Middletown.

HOUSE MEMBERS: Robert Brown (R), Perrysburg; Dean Conley (D), Columbus; Robert Corbin (R), Dayton; Thomas Gilmartin (D), Youngstown.

OHIO BLOCK GRANT PROPOSALS

The Joint Committee on Federal Funds began consideration of block grant proposals in January of 1982. Major block grant proposals have been initiated by three Ohio political institutions: the Executive Departments in charge of block grants, the Legislature, and the County Commissioners Association of Ohio. Although the Ohio Citizen's Council has served as an interest group lobby for the metropolitan areas in

human services grants, the Council has not actively introduced proposals. No urban coalition has been active in representing the interests of the major Ohio cities in the block grant process. The needs of each group represent radically different legislative programs as to who should receive block grant funds, how block grant funds should be allocated, and what controls should be placed on block grant funds at the local level by the state.

COUNTY COMMISSIONERS ASSOCIATION OF OHIO

The County Commissioners support distribution and control of block grants by Boards and County Commissioners. In Block Grant News No. 7, published by the County Commissioners Association of Ohio, the CCAO stated:

"The state: 1. Should make the board of county commissioners the primary recipient and local decision-making authority for allocation of block grant funds; and 2. Should not allocate funds directly to appointed agencies without prior review and approval by local elected officials." The CCAO has recommended direct pass-through of funds to counties with little or no review or control on the part of the state.

Counties are also supportive of equalization of funds on the county level rather than targeted or focused funding through competitive grant applications. The CCAO supported a proposal for Small Cities Community Development Block Grants including a guaranteed allocation to all cities and counties with a larger allocation going to communities which show a greater need through a distress factor formula.

DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT

The Small Cities Community Development Block Grant proposal came from the Department of Economic and Community Development of the State of Ohio. DECD is supporting equalization formulas and noncompetitive allocations.

THE JOINT COMMITTEE

The Joint Committee on Federal Funds of the Legislature adopted an amended DECD proposal for the Community Development Block Grant which changed the goal statement to stress the primary objective of creating a viable urban community with decent housing and suitable economic conditions for low and moderate income persons.

"The primary objective of Ohio's Community Development Block Grant Small Cities Program is the development of viable urban communities by providing decent housing and a suitable living environment, and expanding economic opportunities, principally for persons of low and moderate incomes. This overall objective is achieved through the undertaking of eligible activities each of which carries out one of three broad national objectives set out in Section 104(b)(3) of the Community Development Act of 1974 of benefitting low- and moderate-income families; aiding in the prevention or elimination of slums or blight; or meeting other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community where other financial resources are not available to meet such needs."

The Joint Committee established an Evaluation Committee, consisting of two representatives of the County Commissioners Association of Ohio; two representatives of the Ohio Municipal League; Senator Ted Gray (R) and Representative Thomas Gilmartin (D) of the Joint Legislative Committee on Federal Funds to report in Spring 1983 on the effectiveness of the CDBG.

LEGISLATURE

State legislation has been passed on the Social Services Block Grant and can be analyzed to measure legislative feelings on distribution, control, and recipients. Current law divided administration of funds among the Ohio Department of Public Welfare, the Department of Mental Health, and the Department of Mental Retardation/Developmental Disabilities. The Department of Public Welfare is required to allocate its share of funds to County Welfare Departments, and distribution of funds is made on the basis of (1) total population; (2) population with income and resources below 100% of the standard of need of each county; and (3) the county's history and ability to utilize the funds.

Legislative proposals now before the Joint Committee on Federal Funds from Representative Brown (R) Perrysburg, a member of the Joint Committee, would earmark funds for the Ohio Commission on Aging, ODPW, DMH, and MDR/DD but place direct administrative powers in the Ohio Department of Public Welfare. The Brown proposal revises the allocation formula for distributing funds to counties to be based on the number of people in the county with incomes below the poverty level as compared to the state, which would change the present standard of county need level and possibly reduce allocations to Cuyahoga County which has a greater need level than the state need level.

A Senate proposal by Senator Steven Maurer (D-Botkins) calls for allocation of funds to counties on a strictly per capita basis. These proposals show the conflicting interests between nonmetropolitan state areas and urban areas like Cleveland when competing for block grant funds.

URBAN AREAS

The former city-federal relationship provided for a direct voice from the city to the federal government on the distribution of funds; however, the new state-city relationship means competition over funds by political institutions--legislative interests, executive departments, county governments, rural and urban metropolitan governments, and special purpose governments--at the state level.

The issue is one of reduced funds for allocation. Many groups now benefitting from federal programs will find themselves with fewer funds than before; with no funds at all; and competing with other groups at the state house. As yet no urban coalition in Ohio has surfaced to present its point of view on distribution, allocation, recipients, and control, to the state through the Joint Legislative Committee on Federal Funds or in the Executive Departments.

The U.S. Conference of Mayors in "The FY82 Budget and the Cities," stated that, "Recently enacted federal budget cuts are imposing immense burdens on city budgets, resulting in massive layoffs, service reductions, tax increases, and postponement of needed capital investments." In Cleveland deferral of capital spending on the infrastructure was noted to be a major problem. It is estimated that \$700 million dollars would be needed to bring roads, sewers, water system, and bridges up to acceptable levels of service.

The Conference says local governments are dependent on federal resources for financing public services and capital improvements. There is a direct local-federal relationship which has sustained local dependence on federal aid over the last two decades. The end of a program like CETA's Public Service Employment program increased financial pressures on Cleveland and other urban areas. If state and local economic growth do not produce enough tax revenue to replace reduced federal aid then state and local government will be forced to raise taxes and cut services.

Cleveland's local economic problems are more likely to be structural problems resulting from changes in economic activity and population movement rather than economic cycles, and the structural problems must be addressed in order to counter the end of federal aid. The past two decades of federal resources were aimed at countercyclical aid, not at underlying economic problems; their demise will mean an exposure of the persistent structural problem that must be addressed by local effort for future economic prosperity.

Fiscal Burden on the States from the New Federalism

State	Additional annual state revenues required to maintain the 43 programs (in millions of \$)	State government tax collection (1981)* (in millions of \$)	Percent increase in state taxes required to maintain programs	State	Additional annual state revenues required to maintain the 43 programs (in millions of \$)	State government tax collection (1981)* (in millions of \$)	Percent increase in state taxes required to maintain programs
Alabama	\$219.7	\$2,148	10.24%	Nebraska	88.2	804	10.95
Alaska	72.5	2,317	3.10	Nevada	42.4	515	8.23
Arizona	133.2	1,788	7.45	New Hampshire	55.0	269	20.45
Arkansas	134.5	1,189	11.27	New Jersey	453.4	5,029	9.01
California	1,152.4	20,505	5.62	New Mexico	82.1	1,179	6.96
Colorado	158.4	1,448	10.79	New York	1,362.1	13,918	9.79
Connecticut	170.4	2,072	8.20	North Carolina	315.4	3,413	9.23
Delaware	48.3	555	8.30	North Dakota	48.7	451	10.42
D.C.	170.4	1,131	15.07	Ohio	583.2	5,241	11.10
Florida	503.2	5,314	9.48	Oklahoma	145.0	2,232	6.50
Georgia	294.4	3,020	9.74	Oregon	155.5	1,608	9.64
Hawaii	58.1	1,088	5.33	Pennsylvania	764.5	7,597	10.08
Idaho	57.2	537	10.60	Rhode Island	61.8	608	10.13
Illinois	683.7	7,323	9.34	South Carolina	174.3	1,828	9.55
Indiana	267.3	2,809	9.51	South Dakota	53.7	298	18.02
Iowa	155.5	1,836	8.47	Tennessee	247.7	1,958	12.85
Kansas	118.8	1,392	8.55	Texas	636.9	8,174	7.79
Kentucky	222.4	2,276	9.75	Utah	79.9	849	9.40
Louisiana	248.4	2,805	8.77	Vermont	42.4	294	14.42
Maine	95.7	674	14.74	Virginia	252.9	3,027	8.38
Maryland	247.3	2,956	8.36	Washington	219.3	3,126	7.02
Massachusetts	429.4	4,336	9.89	West Virginia	147.7	1,270	11.63
Michigan	518.1	6,177	8.38	Wisconsin	249.9	3,629	6.89
Minnesota	233.7	3,374	6.84	Wyoming	32.8	469	6.99
Mississippi	165.6	1,397	11.88				
Missouri	284.8	2,143	13.30				
Montana	57.7	467	12.40				
				All States	\$13.2 bil.	\$149.74 bil.	8.81

* State tax figures are from the Census Bureau, "State Government Tax Collection: 1981" (forthcoming). They do not include non-tax state revenues, such as highway tolls, fines, fees for state universities or parks use, and from sales of state property.

V. ISSUES FOR THE GREATER CLEVELAND AREA

The Committee has identified a number of problem areas which it may wish to address:

- Current Legislative efforts to change the health and human services distribution formula from a county-based need level favoring urban areas to a lower state-based need level will hurt Cuyahoga County.
- Considering the state's current budget deficit, the matching funds required by some of the Block Grants are likely to cause state monies to be diverted from other program areas.
- The absence of fully effective coordination of local community efforts to ensure that the Cleveland area obtains its fair share of funding.
- The existence of adequate liaison between local groups and the legislative Joint Committee on Federal Funding or the lead state agencies on Block Grants?
- The lack of a public information program to inform the community of what the cutback in funding means to the Cleveland area.
- Consideration of the degree to which private sector funding can be expected to replace the shortfall created by cutbacks.
- Consideration of the extent to which the state, county, and local taxing authorities can be expected to replace funds.
- The maintenance by the state of current matching funds in various programs.

VI. LOCAL BLOCK GRANT CONTACTS

1. County Commissioner's Block Grant Steering Committee
2. Federation For Community Planning
3. Greater Cleveland Growth Association
4. Ohio Citizen's Council Block Grant Task Force
5. State Budget Coalition of Greater Cleveland
6. The City of Cleveland:
 - *Community Development Department
 - *Office on Aging
 - *Office on Budget and Management
7. United Way Services



VII. APPENDIX

"GOP Mayor speaks against Reagan's budget cuts:" An Interview with Cleveland Mayor George Voinovich



GOP mayor speaks against Reagan's budget cuts

By MARK HOPWOOD

No matter how sedate or outlandish their style, Cleveland's mayors seem to attract national attention. Remember Ralph Perk's pornography poll or the days of Dennis Kucinich as L'Enfant Terrible?

Mayor Voinovich, despite his reticence, pulled some national notice in his first term for turning around Cleveland's fiscal fortunes. And early in his second term, the mayor hasn't dropped out of sight.

He made a splash in November with his opinions on President Reagan's budget maneuvers and his call for New Federalism — the shifting of many federal programs and responsibilities back to the state and local governments.

In this Press interview, the mayor speaks strongly about the budget cuts and New Federalism. He considers their effect on Cleveland's growing unemployment and the resolve needed to overcome a possible economic tragedy here.

Leading public officials remain enamored with Voinovich. In fact, he is one of only three mayors invited to attend the National Governors Association meeting in Washington today to discuss the Reagan plan.

Some of this prominence is based on Voinovich's appearance of being a critic of the Republican president — a novel stance for the top big city Republican mayor to take. To some degree, it is a calculated appearance, cultivated since the presidential primary days when Voinovich favored George Bush over Reagan.

But lately Voinovich has become earnestly concerned about the welfare of America's cities and their inhabitants, especially in light of Reagan's 1983 budget proposal. He has not hesitated to voice his views.

In his comments before the governors, Voinovich said he will draw "a firm distinction between my beliefs in New Federalism and my concerns toward the 1983 federal budget."

Q: You seem to like Reagan's New Federalism, so why are you so critical of the budget cuts he is advocating?

A: First of all, people shouldn't confuse the 1983 budget proposal with New Federalism — they aren't the same thing. It's not New Federalism — it's budget cutting that we're dealing with. We haven't had any New Federalism to respond to, yet.

We can't tolerate any more cuts in the allotments for cities or for social service programs in the 1983 budget. If we have to balance the budget then we should do it on the back of the Defense Department.

It makes me sick to see how much one of those Trident submarines costs when you consider what that money could do for all of the cities in this country and for the people who live in those cities. You can't have great national defense if you have

hunger, poverty, unrest and unemployment in your major cities — communist leaders in Central and South America can point to the deteriorating condition of this country's cities. (Correcting this) ought to be the first order in our effort to win the hearts and minds of other people.

On the other hand, there is a separate issue of which level of government is most capable of providing services to the citizens of the country. How can we best utilize the dollars that are being poured out for the local, state and federal governments? I think this question is worthy of debate.

Unfortunately, the media has jumped out and written articles without even paying attention to what was being proposed by the president. Before people take positions that are cast in stone, they ought to at least dialogue on this question of New Federalism.

In order to have a realignment of responsibilities, there's got to be a general national consensus that the final plan is both fair and needed.

Q: Do you think the final plan is both fair and needed?

A: I have a lot of questions — about the speed of the change, how it will be funded, what level of government should be responsible for administering programs, will the federal government give up certain taxes and shift them back to local governments?

You can't undo in three or four years something that was started 40 years ago. Many programs should operate on the state or local level, but it is going to take time for state and local governments to develop the facilities and resources to handle such programs.

Q: So is the president's 1983 budget proposal sinking New Federalism?

A: The federalism issue may be confused with the cuts in the budget. In terms of timing, this discussion (of New Federalism) would have been better seven or eight years ago. I think the drift we have followed for the past 10 years or so without the debate on who ought to be delivering these services, how they should be paid for, has been unhealthy for the country.

As (Vermont's governor) said: "There should be a serious discourse on New Federalism, similar to the dialogue that took place 200 years ago prior to the ratification of the U.S. Constitution."

Q: Will we ever have a New Federalism discussion?

A: The economic condition of the country will have a major impact on this whole dialogue on New Federalism. If we have massive unemployment in this country — over 10% — no one is going to be talking about New Federalism. They are going to be worried about getting people back to work and they aren't going to give a damn whether it is the federal, state or local government doing it. Unless the pre-

dictions (of the president's advisors) are right and the economy is going to take an upturn at the end of this year, you can forget about the debate over New Federalism.

Besides, if they are not able to answer the questions of critics and if they aren't able to gain the support of state and local officials, the program will never work and the president won't have the votes in Congress to pass it.

Q: You've said you are worried about there being a "safety net" for those who could suffer under Reagan's proposals. Are you sure it's in place?

A: I said initially that I perceived holes in the safety net — holes that those of us in Cleveland are trying to mend. We can mend them locally, assuming the economic condition of the country picks up.

I recommended to the leadership of the National League of Cities and Congress of Mayors that what we ought to be doing now is getting together the ideas from our major cities in terms of how they are responding to the cuts that have taken place in the budget, how they are responding locally to those cuts, and what are they doing to help the people in their community survive during this period in time?

Q: You have said Cleveland's unemployment rate is 17%. How is that problem affecting us?

A: When the bread winner is out of work, that is a scary situation. How would you like to be one of those people out at Fisher Body who have been there 25 years and now don't know whether they are going to have a job in a year or two years from now?

There is no community in the country today that is trying harder to respond to human concerns that have developed as a result of cutting back the federal budget. There are greater demands on city services when people are not employed — for instance, we're seeing a greater number of people coming through our health centers. When you have high unemployment, you have a higher demand for police protection, higher demands for social services, there are more alcoholics and there is more family stress.

Most of the social services are provided by (Cuyahoga County), which handles things like welfare and mental health funding. We are putting a program together looking at what the county is doing, what the Federation for Community Planning is doing and what United Way and others are doing. As time goes on in terms of the economy, a lot of agencies are going to have to look at things a different way than they used to.

But I think we are progressing. The getting together and the talking about the problems of the community has been worthwhile, fruitful and has helped.

Q: How is the city participating in this effort?

A: We have put together our Community Development Block Grant with a major emphasis on uti-

lizing dollars for programs that are absolutely essential to this community, starting with housing, food, shelter, and medical care. I asked for a waiver (of federal regulations) so we could spend as much of our money as possible for social services to show the sincerity of our concern about these problems in the community.

Q: But why does the city's budget emphasize the Planning and Economic Development departments and not basic city services or social services?

A: I think one of the grave errors that this city made over the years was that when it fell upon bad times, (city officials) ignored planning and economic development. This is being penny wise and pound foolish. At a time like this the most important hedge against the terrible problems for the community is to have the tax dollars to respond to those problems.

We've got more dollars but it is a question of how you allocate those dollars. You might not be able to pave as many streets as you want or to mow the grass every week. But mowing the grass every week versus not being able to stimulate jobs in this community is a small price to pay for keeping the economy alive and well.

If the economy falls, then the taxes fall. When the taxes fall, the services fall. And when the services fall, the people move out of their neighborhoods and the businesses move out of the community.

Q: So you support less social services spending by the city in favor of aiding business?

A: If you're not out trying to cause business to stay in your community, through Urban Development Action Grants, or Economic Development Administration grants or packaging Small Business Administration loans and all the other benefits that are available (to convince) industry to stay in the city or to get them to expand, then you not only lose tax dollars, but United Way contributions and contributions to various churches — it is a rippling effect.

For every job we have in the city, we take 2% off the top that goes into the pot that is used to provide services to many in our community who are unable to provide tax dollars.

Q: Have you seen any evidence that this is working?

A: I think the fact that this town has a public-private partnership that is working, that (the town) has come together, that our national image has changed substantially, that people in this community feel a lot different than they did three years ago is a healthy sign that bodes well for the future.

But in terms of what other cities are doing in terms of economic development, Cleveland looks like a sick sister. Even with the increased spending for economic development, we are still way behind other cities.

VIII. RESOURCES

1. Advisory Commission on Intergovernmental Relations. Block Grants and the Budget Reconciliation Act of 1981. January 7, 1982.
2. Advisory Commission on Intergovernmental Relations. Measuring Local Discretionary Authority. November, 1981.
3. Bradbury, et.al. Futures for a Declining City: Simulations for the Cleveland Area. 1981.
4. Cleveland Press, Interview with Mayor George Voinovich, Sunday February 21, 1982.
5. County Information and Data Service. Block Grant News, January 29, 1982.
6. County Information and Data Service. Block Grant News, January 4, 1982.
7. County Information and Data Service. Block Grant News, November 18, 1981.
8. County Information and Data Service. Block Grant News, November 12, 1981.
9. Human Services Information Center. Human Services in the 1980's: President Reagan's 1982 Proposals.
10. New York Times (various issues).
11. Ohio Citizen's Council. Block Grants In Ohio. A Status Report. January, 1982.
12. Ohio Citizen's Council. Fact Sheet: Title XX.
13. Ohio Citizen's Council. Block Grant Briefs (various issues).
14. Omnibus Budget Reconciliation Act of 1981, Pub. L. 97-35, 95 Stat. 357 to 933; Sen. Rep. No. 97-139; House Conf. Rep. No. 97-208.
15. State Government News, January 1982, p. 8-9.
16. U.S. Conference of Mayors. The FY82 Budget and the Cities: A Hundred City Survey. (November 20, 1981).
17. U.S. Conference of Mayors. The Federal Budget and the Cities: A Review of the President's Budget in Light of Urban Needs and National Priorities. (March, 1981)

July 22, 1987

Mr. Richard W. Pogue,
Jones, Day, Reavis & Pogue
901 Lakeside Road
Cleveland, Ohio 44114

Dear Dick:

I notice by the agenda I received today about the July Board of Trustees meeting that the following meeting is scheduled for Thursday, September 24th. Thursday, September 24th happens to be Rosh Hashana and I am sure that in respect for your Jewish members you do not want to schedule a meeting that morning. I hope this finds you in good health.

As ever,

Daniel Jeremy Silver

DJS:mt

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BOARD OF TRUSTEES MEETING

Wednesday, July 29, 1987 — 7:30 a.m.

Eaton Conference Center, 24th Floor

AGENDA

I. APPROVAL OF MINUTES OF MAY 28, 1987 MEETING

II. BUDGET AND FINANCE STATEMENT -- Karen N. Horn

**III. PRESENTATION ON ASIAN COMMUNITY -- David Namkoong,
Roundtable Trustee**

**IV. EXECUTIVE DIRECTOR'S REVIEW -- One year after the
Retreat**

V. CONSIDERATION OF SCHOLARSHIP-IN-ESCROW PROGRAM

VI. COMMITTEE REPORTS:

- | | |
|---------------------------------|-----------------------|
| * Education | -- John F. Lewis |
| * Labor/Management Forum | -- David H. Hoag |
| * Minority Economic Development | -- Alfonso P. Sanchez |
| * Race Relations | -- Edward F. Bell |

VII. OTHER BUSINESS:

- * Review of Executive Committee Actions
- * Update on CSU Civic Committee
- * Update on Barricades Between Cleveland and Shaker Heights
- * 1987 Fundraising Update

**VIII. NEXT BOARD MEETING: Thursday, September 24, 1987 at
7:30 a.m. in the Eaton Conference
Center, 1111 Superior Avenue, 24th
Floor.**

/bav
7/13/87

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April 7, 1988

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Rabbi Daniel J. Silver
The Temple Branch
26000 Shaker Boulevard
Beachwood, OH 44122

Dear Rabbi Silver:

I am pleased to inform you that you have been recommended for a new three-year term as a Trustee of the Greater Cleveland Roundtable. I trust and hope that you are willing to serve and, unless I hear from you to the contrary, we will plan to present your name for re-election as a Trustee at the Annual Meeting of the Board of Trustees on May 26.

Your dedication to and support for the Roundtable's activities is greatly appreciated. Your continued involvement is truly valued.

I look forward to seeing you on May 26.

Sincerely,

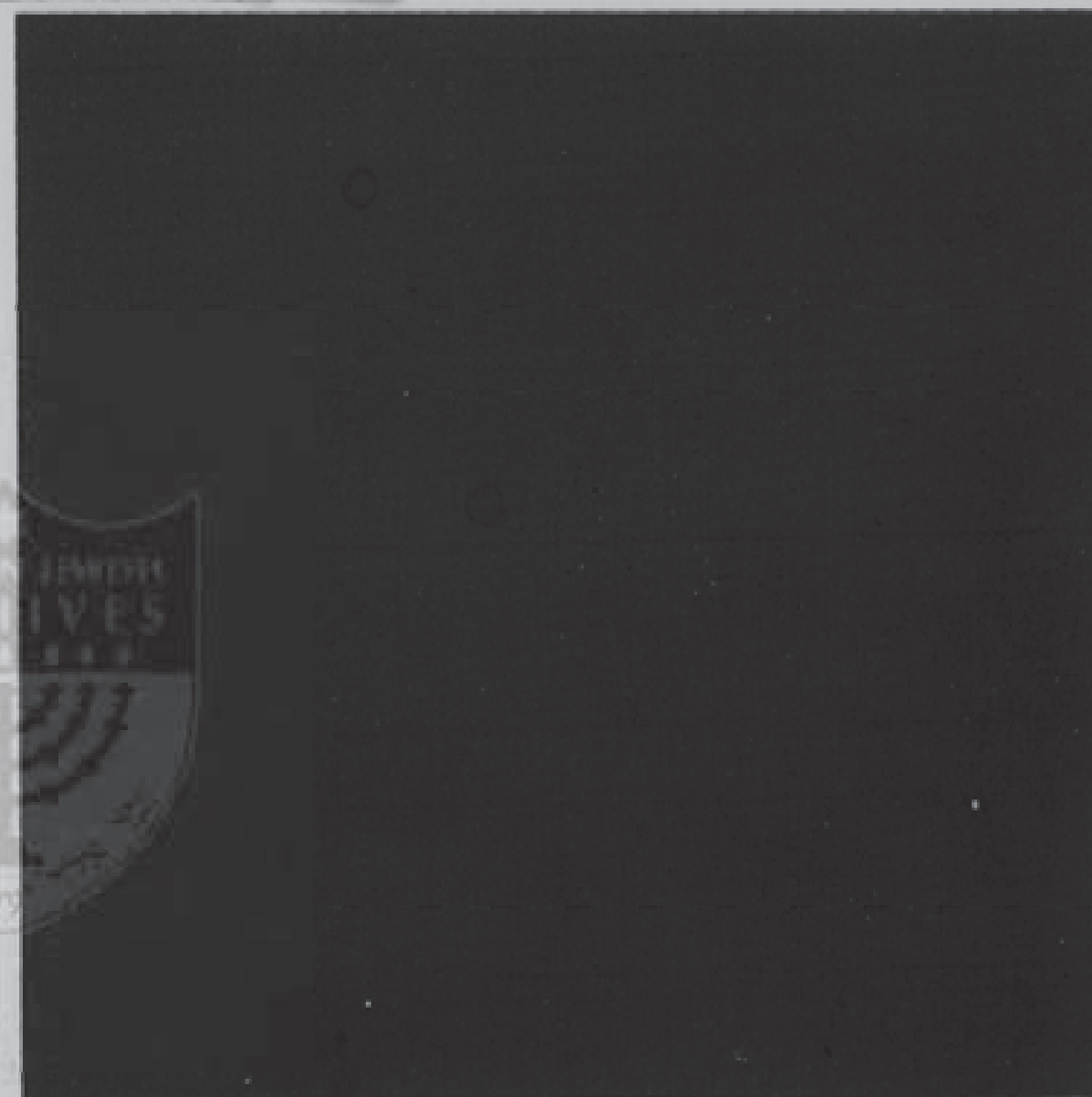
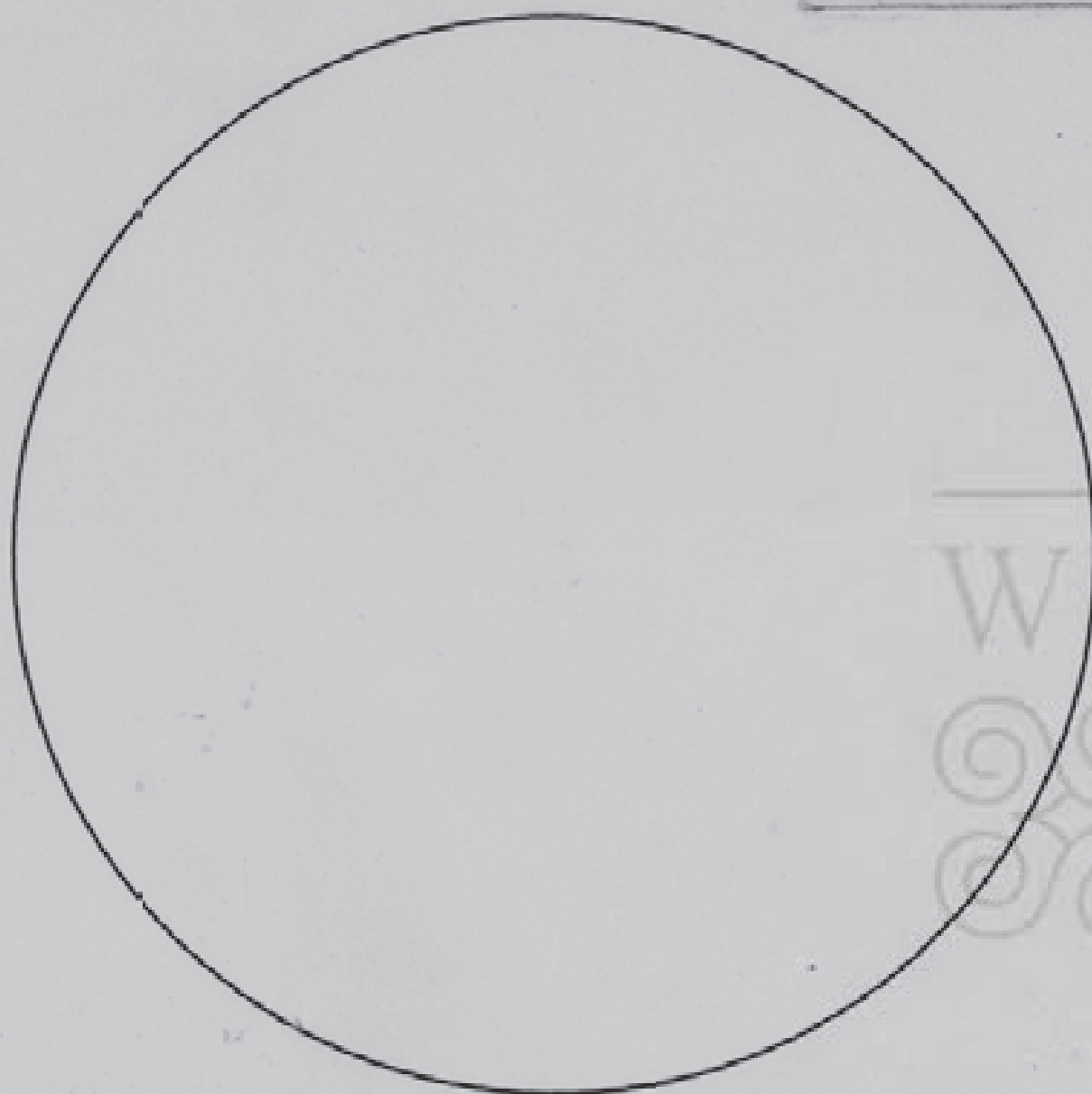
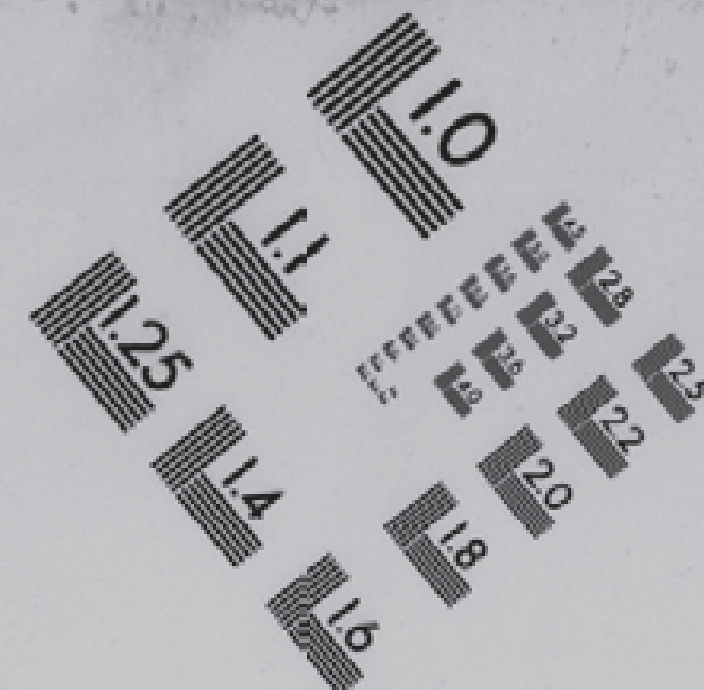
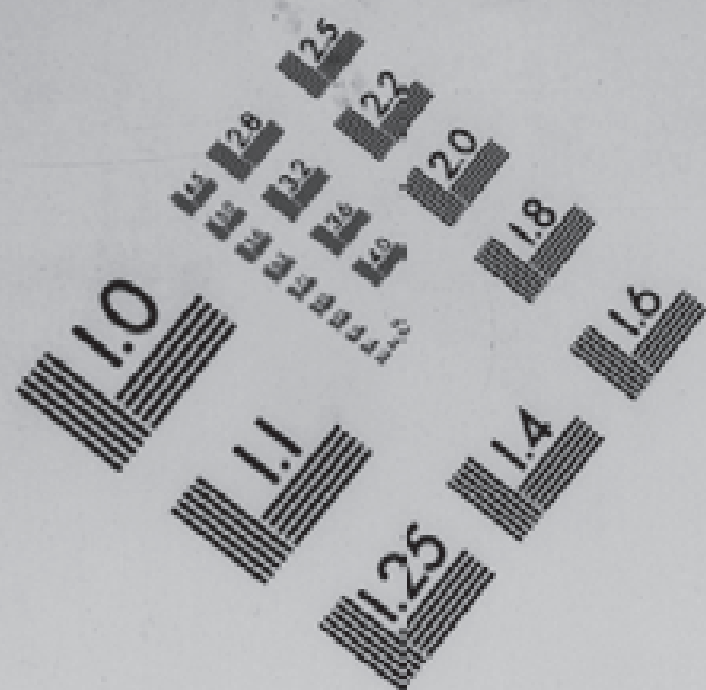
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